

# DAILY REPORT

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U.S., USSR TO HOLD TALKS ON ASIAN ISSUES

OW090216 Beijing XINHUA in English 0155 GMT 9 Sep 85

[Text] Washington, September 8 (XINHUA) -- U.S. Assistant Secretary of State for Asian and Pacific Affairs Paul Wolfowitz will lead a three-member delegation to Moscow this week for talks with Soviet Deputy Foreign Minister Mikhail Kapitsa on the situations in Indochina, the Korean peninsula and other issues in Asia, the State Department announced today.

The United States has been seeking talks with the Soviet Union on Asia since early days of the Reagan administration because of tensions in Indochina generated by the Soviet-backed Vietnamese occupation of Kampuchea. The upcoming talks will be the first between the two countries in decades. The talks were reportedly agreed upon by Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze during their meeting last month in Helsinki.

THE NEW YORK TIMES quoted a senior State Department official as saying that Wolfowitz will raise to the Soviets the U.S. concern over what it regards as a threatening Soviet military buildup in the Far East, including their largest naval and air base at Cam Ranh Bay, a former American base in south Vietnam. The report said the Soviet Union has begun deploying long-range bombers out of Vladivostok, giving them an ability to penetrate the Pacific much more widely than before.

Wolfowitz will also urge the Soviets to use their influence with the Vietnamese to bring about negotiations with its neighbors to end the occupation of Kampuchea, the report said. The talks on Asia are the latest in a series of high-level discussions between the two countries on regional issues. So far, they have already had three sets of talks this year on the Middle East, southern Africa and Afghanistan.

According to the preliminary format disclosed by U.S. officials early last month, regional issues will also be on the agenda of the Reagan-Gorbachev Geneva Summit in November, along with arms control, bilateral issues and human rights.

SHIJIE JINGJI DAOBAO ON TRADE WITH SOVIET BLOC

HK091306 Shanghai SHIJIE JINGJI DAOBAO in Chinese 19 Aug 85 p 9

[Article by Ge Linsheng: "Increasing Financial and Trade Exchanges With the Soviet Union and the East European Countries Is Beneficial to Both Parties" -- capitalized passages published in boldface]

[Text] Can we quadruple China's foreign trade and the gross value of industrial and agricultural production by the end of this century? Some comrades are very much worried about this. Judging from the practice of the Soviet Union and the East European countries, this objective is attainable. Naturally, there will be difficulties but the key to the fulfillment of this objective lies in our taking a positive attitude and adopting vigorous measures.

Stones from other hills may serve to polish the jade of this one. In learning from the experiences of the Soviet Union and the East European countries, there are some questions deserving our attention.

THE FIRST IS THE MARKET STRATEGY. The Soviet Union and the East European countries have a relatively stable overseas market, namely the CEMA market, which accounts for very large proportions in the total foreign trade volume for the Soviet Union and the East European countries (50-75 percent). At the same time, they have developed trade with the developed capitalist countries at an accelerated speed (in the early 1980's the proportions were from one-seventh to one-third). In this period, trade with the developing countries has also registered rapid growth. However, due to various causes known to all, they, particularly the Soviet Union, have lost the Chinese market and China has also lost the Soviet market. At a time when the West practices trade protectionism and imposes various restrictions on our export commodities, we should promptly adjust our market strategy and strengthen our economic and trade relations with the Soviet Union and the East European countries so that we can have a relatively stable overseas market. However, this does not in the least mean a reduction in our trade with Western countries.

THE SECOND IS THE COMMODITY STRATEGY. Take the Soviet Union for example. It has chiefly implemented a strategy of exchanging natural resources for technology, that is, exchanging petroleum and natural gas for advanced technology and equipment from Western countries, and has attained marked results. At the same time, the Soviet Union emphasizes increasing the export of finished industrial products in order to increase the rate of foreign exchange earnings. Under China's present circumstances, the above-mentioned practices are also entirely applicable. Naturally, we may lay particular emphasis on different markets. We can switch to the Soviet and East European markets the commodities which are subject to various restrictions or are unsalable on the Western market but which are much sought after on the Soviet and East European markets. Judging from the 10 major categories of commodities imported by the Soviet Union in recent years, we can greatly increase the exports of light industrial products, garments (including silks and satins, as well as their by-products), foodstuffs (including livestock products), and fodder grain. Taking into consideration the fact that the Soviet Union will find it difficult to increase its petroleum exports to East European countries while the latter are in great need of petroleum, we can increase our petroleum supplies to East European countries. Meanwhile, we can increase the import of suitable technology and equipment from the Soviet Union and the East European countries and expand border trade with the Soviet Union.

THE THIRD IS THE QUESTION OF STRUCTURE. In foreign trade structure, the Soviet Union has consistently persisted in the state of monopoly of foreign trade from the macro point of view and implemented the principle of unified action in dealing with foreign firms. Moreover, it has established a powerful and centralized trade organ to contend effectively with the monopoly organizations of the West. However, the Soviet Union has failed to invigorate its economy from the micro point of view, which has resulted in the poor capabilities of foreign trade enterprises in coping with emergencies and the lack of competitiveness of its export commodities. Some East European countries, however, have fairly invigorated their economies from the micro point of view and allow enterprises to directly deal in foreign trade. But due to their failure to exercise effective macro management, they are often subject to changes in the international market, which is not conducive to the steady development of the domestic economies. In light of our practice in foreign trade in recent years, I hold that:

1. There should be a powerful and effective organ in the country as a whole to exercise unified leadership to plan and to supervise work in foreign economic relations and trade. It is necessary to strengthen economic legislation and to enact foreign trade laws, foreign exchange laws, and so on.



Some major policy decisions should undergo the legislative procedure in, and be approved by, the NPC Standing Committee and not be decided by one person. If major errors should happen, it is necessary to investigate and affix the economic and even the criminal responsibilities of the persons concerned.

2. It is necessary to institute a commissioned agent system in foreign trade and an import and export license system with a division of labor between localities and ports having different emphasis and special features and to oppose competition among ourselves to prevent foreign firms from profiting by this.

3. In line with the variety of commodities, their effect on the national economy and the people's livelihood, and their capabilities of earning foreign exchange, we should carry out multilevel management and readjustment and integrate mandatory and guidance planning with regulation by the market mechanism, with the focus on guidance planning.

4. It is necessary to set up export bases, to organize and set up integrated entities combining trade, industry, and agriculture, to improve the quality and competitiveness of our export commodities, and to attain better economic results.

5. It is necessary to increase the export of labor service and patented technology but this should not weaken the export of our commodities.

DENG ON SINO-U.S. COOPERATION, DOMESTIC ECONOMY

OW101106 Beijing XINHUA in English 1049 GMT 10 Sep 85

[Text] Beijing, September 10 (XINHUA) -- Chinese leader Deng Xiaoping this morning extended his congratulations on the first success of the Sino-U.S. joint undertaking in publishing the Chinese edition of the Concise Encyclopaedia Britannica. The Greater Encyclopaedia Britannica of China Publishing House and Encyclopaedia Britannica Inc. of the United States signed an agreement in August, 1980, on publishing the Chinese edition of the Concise Encyclopaedia Britannica. The first three volumes of this ten-volume reference book have come off the press. Deng Xiaoping, chairman of the Central Advisory Commission of the Chinese Communist Party, spoke highly of the work at a meeting with Frank Gibney, vice-chairman of board of editors of Encyclopaedia Britannica of the United States, in the Great Hall of the People here this morning. This work was very useful and was a treasury of knowledge, he said, adding that the Chinese could obtain what they lack in their modernization drive from the work and other sources as well. Gibney commented that the publication of the book was a symbol of U.S.-China cooperation and this showed that the two countries not only could cooperate in the political and economic fields, but also could compare their education and cultural traditions. Deng Xiaoping agreed on this point, saying that there were achievements in Sino-U.S. cooperation.

When asked about what the U.S. side should do in furthering U.S.-China economic relations, Deng Xiaoping said that the most important was U.S. technology transfer to China. America economic circles were enthusiastic about this, he said, adding that the U.S. Government and Congress should be more enthusiastic in this regard. Generally speaking, he said, the development of Sino-U.S. relations was good, but not enough.

Speaking of China's domestic situation, Deng Xiaoping said that primary achievements had been made in implementing the open policy, but greater progress depended on the on-going restructuring of the urban economic set-up, which marked the beginning of the all-round restructuring of the country's set-up. If this went well, Deng added, China's national economy would be able to grow continuously and steadily in the next three to five decades. Deng Xiaoping said that China could achieve its goal two years ahead of schedule of doubling the country's 1980 gross industrial and agricultural output value by the year 1990. It was certain that this could be achieved in 1987, he said.

Deng Xiaoping continued that China was now working out the Seventh Five-Year Plan (1986-1990). The annual growth rate of the economy would be set at seven to eight percent, he said. "We do not seek high growth rate, for too high a growth rate is not good to a balanced growth of the national economy, let alone to a continuous growth," he stressed.

Gibney noted what China achieved in its economic reform was better than expected outside China. He asked whether the introduction of some of the market forces in the reform would change China's socialist system. Deng replied that China adhered to socialism, and was engaged in a socialist modernization drive. China abided by two important principles: first, public ownership remains dominant in the country's common prosperity. Some areas and people were encouraged to get well off first and this would not lead to polarization, Deng Xiaoping explained, adding that the better-off areas had the duty to help the poor ones. In the past three years, Deng noted, various measures had been adopted to help Tibet and other poor areas, and it was believed that two or three years later, Tibet would catch up.

Deng Xiaoping stressed that China's current reform would not lead the country to capitalism. China welcomed foreign investment and allowed certain private businesses, and this would not affect the country taking the socialist road, he added.

At the beginning of the meeting, Jiang Chunfang, editor-in-chief of the Greater Encyclopaedia Britannica of China Publishing House, presented the first three volumes of the Chinese edition of the Concise Encyclopaedia Britannica to Deng Xiaoping. The Chinese leader also accepted a gift from Frank Gibney -- replica of the first three volumes of the first English edition of the encyclopaedia published in 1768. Zhu Muzhi, Chinese minister of culture, was among those present on the occasion.

#### ZHANG JINGFU MEETS VISITING TOOL EXECUTIVE

OW091530 Beijing XINHUA in English 1452 GMT 9 Sep 85

[Text] Beijing, September 9 (XINHUA) -- Chinese State Councillor Zhang Jingfu met T.P. Latimer, president of the Chicago Pneumatic Tool Company, and his party here today. During the meeting, Zhang welcomed the U.S. entrepreneurs to come and develop technological cooperation with their Chinese counterparts.

After the meeting, Zhang attended a reception given by Latimer for the U.S. company's week-long exhibition which opened here today. Among those present on both occasions was Zhou Jiannan, minister of the machine-building industry.

#### FARM CREDIT SYSTEM SEEN APPROACHING CRISIS

OW072005 Beijing XINHUA in English 1901 GMT 7 Sep 85

["News Analysis: U.S. Farm Credit Policy Likely To Add Fuel to Congress-Government Debate (by Zhao Zijian)" -- XINHUA headline]

[Text] Washington, September 6 (XINHUA) -- The U.S. farm credit system is rapidly approaching its worst crisis, one that will further divide Congress and the White House as autumn political tussles heat up. Last Wednesday, governors of the U.S. Farm Credit Administration (FCA) gathered for a special meeting to deliberate over the mounting difficulties now facing the FCA, which consists of 12 farm-banking districts with a total of 37 farmer-owned banks. One FCA governor, Donald Wilkinson, said billions of dollars in federal aid is needed in the next 18 to 24 months "unless major new forces" change things. Wilkinson's announcement spells tragedy for the whole American farming system.

During the 1970s, inflation seemed to be the main problem for farmers. Theoretically, inflation works in favor of the borrowers, who can pay back their debts with watered-down money. Under such circumstances, large sums were loaned to farmers by the FCA banks. From 1972 to 1980, outstanding loans jumped from less than 20 billion dollars to 66.2 billion dollars. But proper examinations of the borrowers' credibility were often ignored.

With economic recovery came "deflation," which makes debt repayment dearer. Land values, the collateral for most farm loans, have been falling, in some cases down to half the values registered at the peak period of 1981. As the harvest this fall is expected to break a record high, agricultural products prices are heading lower. The farmers are in serious trouble, and so are the farm-lending banks, the biggest of which is the FCA. As much as 15 percent of the FCA's 74 billion dollar in loans, or 11.1 billion dollars, is considered uncollectible.

FCA banks have tightened lending operations and asked for a bail-out. Many of them raised interest rates to boost earnings to balance losses, thus driving the credit-worthy farmers to commercial banks.

For all eventualities, the farm credit system debacle is expected to add fuel to the political tussles between the Congress and the Reagan administration. The two sides are now battling over such issues as trade protection and tax reform.

Looking toward the 1986 elections, Congress is desperately trying to solve the farm credit issue, raise farm income and make U.S. agricultural products more competitive in the world market. These things are crucial to congressmen from the farm belt.

Senate majority leader, Robert Dole, back from his Asian visit, was quoted as saying that the farm credit system is in need of a major overhaul and possible restructuring. He estimated that non-performing loans by all farm lenders, including those outside the farm credit system, could reach 50 billion dollars in the next year or two. He hopes Congress can provide a "legislative response" before it adjourns in December.

According to an aide to Senator Dole, a far-reaching and massive plan would be required to cover all bad loans. The amount of the rescue may run to 18 billion dollars, he said. The Senate also has passed a resolution in favor of aiding the farm credit system.

The Reagan administration, however, has been outspoken about the need to reduce farm aid as one of its means to reduce the federal budget deficit. A large-scale federal bailout program goes against the grain of Reagan's free-market philosophy and his current deficit reduction crusade. Administration officials insist they don't plan any direct assistance for the FCA.

Congress is scheduled to write a new farm bill this fall and has made it clear that farm credit will be included. But the White House opposes such an idea, and wants to separate the two issues and let the credit system exhaust all alternatives before the government steps into help.

The debate and disputes will drag on and head up, and more unfortunate farmers and farm lenders will either go bankrupt or shout for rescue along the way.



JAPANESE TRADE MINISTER MEETS ZHAO ZIYANG

OW091703 Beijing XINHUA in English 1647 GMT 9 Sep 85

[Text] Beijing, September 9 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that it is not difficult for China and Japan to solve their economic problems such as the present trade imbalance if they negotiate on the basis of Sino-Japanese friendship. Speaking at a meeting with Japanese Minister of International Trade and Industry Keiji Murata who arrived here September 7, Premier Zhao said, political and economic relations between the two countries are geared to developing Sino-Japanese friendship.

"Political relations and economic relations should complement each other for common development," Zhao said. "The growth of political relations has created favorable conditions for the expansion of trade and economic relations, which in turn lay a foundation for sound political relations. He said, trade and economic relations between China and Japan are very important for safeguarding peace in the Asian and Pacific region, and in the world as a whole.

The premier said trade, and economic and technical cooperation between the two countries have now developed smoothly, and good results have been registered. The Sino-Japanese long-term trade agreement has played a positive role in the sustained and stable bilateral trade, he said. Progress has been made in cooperation between the two countries in joint exploration of energy resources, cooperative production, joint ventures, technical revamping of old factories, technical exchanges and in providing government loans. "Such cooperation has expanded in breadth and depth," he said. "All this has resulted from our common efforts."

China-Japan trade increased by a big margin to 12.7 billion U.S. dollars last year, with China sustaining a trade deficit of two billion U.S. dollars; in the first six months of 1985 China's trade deficit amounted to 2.3 billion U.S. dollars. Zhao said China has always attached importance to developing trade with Japan, which is beneficial to both sides. He said trade and economic departments of the two countries should work together to overcome difficulties obstructing further progress, on the basis of equality and mutual benefit.

Noting that China and Japan have different economic structures, Zhao said: "The two economies enjoy a complementary relationship and there are broad prospects and potentials for the growth of their bilateral trade." Zhao expressed the hope that the Japanese side would make efforts to import more traditional products from China. He said Japan's demand for energy resources would not likely increase greatly. Petroleum is on the top of China's exports list to Japan, but the amount of petroleum Japan imports from China represents only a small proportion of its total import. Zhao hoped an agreement would be reached for an increase in Japan's petroleum imports from China in the forthcoming regular meeting on long-term agreements this fall.

The Japanese minister told the premier: "I understand and agree with what you said." He said that China's policy of opening to the outside world is beneficial for developing good-neighborly relations between the two countries in politics and economy, and for peace and prosperity throughout the world.

Turning to a Sino-Japanese agreement on investment and protection, the premier said China has signed similar agreements with many countries. He expressed the hope that both sides would reopen negotiations on the basis of taking into full consideration the different social systems of both countries and, respecting existing laws, they should reach an agreement as early as possible to create better conditions for Japanese enterprises to invest in China, he said.

Murata had a talk with Zheng Tuobin, Chinese minister of foreign economic relations and trade this morning. This afternoon, Chinese State Councillors Kang Shien and Song Ping met Murata and his party on separate occasions.

#### Meets Zheng Tuobin

OW072000 Beijing XINHUA in English 1932 GMT 7 Sep 85

[Text] Beijing, September 7 (XINHUA) -- Zheng Tuobin, Chinese minister of foreign economic relations and trade, gave a banquet for Keijiro Murata, Japanese minister of international trade and industry, Mrs Murata and their party here tonight. Addressing the banquet, Zheng extended welcome to Murata who has come here for exploring ways of expanding bilateral trade.

Zheng said a durable and stable growth of Sino-Japanese trade on the basis of equality and mutual benefit was beneficial to economic development of both countries. Murata said China's development had major impact on the development of the Asian-Pacific region.

#### GU MU MEETS JAPANESE MINISTER OF TRANSPORT

OW061620 Beijing XINHUA in English 1434 GMT 6 Sep 85

[Text] Beijing, September 6 (XINHUA) -- Chinese State Councillor Gu Mu met Tokuo Yamashita, Japanese minister of transport and his party here this afternoon. The Japanese minister arrived in Beijing September 5 at the invitation of Qian Yongchang, minister of communications. The Chinese and Japanese ministers held talks on expanding cooperation on transport and communications between the two countries at the same day.

#### PRC DELEGATION IN TOKYO TO HONOR 'OLD FRIEND'

OW072016 Beijing XINHUA in English 1937 GMT 7 Sep 85

[Text] Tokyo, September 7 (XINHUA) -- The centenary of the birthday of Kanzo Uchiyama, an old friend of the Chinese people, and the 50th anniversary of the Uchiyama Bookstore were commemorated here today at the store's new building.

Present at the commemoration meeting were some 300 people of Japanese and Chinese literary circles and friendly societies, including a delegation from Beijing, which was headed by Luo Jun, former director of China's Foreign Language Publishing Bureau, and consisted of Zhou Haiying, son of renowned Chinese writer Lu Xun, and Chinese writer Xiao Jun.

Kanzo Uchiyama, a close friend of the late Chinese writer Lu Xun, died in Beijing in 1959 at the post of vice president of the Japan-China Friendship Association. Assisted by him, his younger brother Kakichi Uchiyama opened the Uchiyama Bookstore in 1935, which has contributed to strengthening Sino-Japanese friendly ties. Kakichi died at the end of last year.

Magaki Uchiyama, son of Kakichi and current manager of the bookstore, pledged at the meeting that the newly-enlarged store will make greater contribution to cultural exchanges between Japan and China and serve as a bridge between the two peoples.

HAO JIANXIU MEETS DPRK WORKERS DELEGATION

OW071204 Beijing XINHUA in English 1122 GMT 7 Sep 85

[Text] Beijing, September 7 (XINHUA) -- Hao Jianxiu, alternate member of the Chinese Communist Party Central Committee's Secretariat, expressed the hope here today that model workers from Korea and China will have more opportunities to share their experience. Hao made the remark while meeting with an innovators' delegation from the Democratic People's Republic of Korea headed by Paek Chong-hung, chairman of the Central Committee of Transport and Fishery Workers' Trade Union, in the Great Hall of the People. She welcomed the Korean guests on behalf of the Chinese Communist Party Central Committee and workers.

Paek thanked the Chinese Working People for their support of the Koreans' struggle for an independent and peaceful reunification of their nation. The Koreans are in Beijing as guests of the All-China Federation of Trade Unions. Korean Ambassador in Beijing Sin In-ha was present at the meeting.

ARMED POLICE FORCE DELEGATION LEAVES FOR DPRK

OW071034 Beijing XINHUA in English 0910 GMT 7 Sep 85

[Text] Beijing, September 7 (XINHUA) -- A delegation from the Chinese People's Armed Police Force left here today for the Democratic People's Republic of Korea at the invitation of the Korean Ministry of Public Security. The delegation is led by Li Lianxiu, commander of the headquarters of the Armed Police Force.

Accompanying the delegation is the police force's art troupe, which will give performances in Korea for a month.



BEIJING REVIEW ON WANG YAOTING'S INDONESIA VISIT

OW091151 Beijing BEIJING REVIEW in English 9 Sep 85 22

[Text] China will send a textile and light industry delegation to Indonesia this month to discuss and sign a contract on direct trade between the two countries. China will also send a timber and chemical group to Indonesia this year.

Wang Yaoting, chairman of the China Council for the Promotion of International Trade, who is responsible for non-governmental trade with other countries, told BEIJING REVIEW last week that he visited Indonesia from August 9 to 19. His trip was held in return for the earlier visit of Sukamdani S. Gitosarjono, president of the Indonesian Chamber of Commerce and Industry, who was in China from July 27 to August 3. The exchange of visits was the first by high-ranking Chinese and Indonesian officials since the two countries suspended their diplomatic relations in 1967. It was carried out under a memorandum of understanding on direct trade signed by representatives of both countries on July 5 in Singapore.

Wang noted that these contacts and mutual visits have already yielded positive results, including the signing of eight letters of intent and a contract involving a total of several hundred million US dollars. Under the new agreements, China will sell Indonesia 2 million tons of coal and 50,900 tons of cotton. It will also import 30,000 tons of rubber, 250,000 tons of cement, 50,000 cubic metres of plywood and smaller amounts of synthetic fibres, timber, cashew nuts, coffee and cocoa.

Although Sino-Indonesian diplomatic ties were suspended for 18 years, Wang said, their indirect trade never ceased. Conducted through a third country, these exchanges have been valued at US\$500 million a year. Direct trade relations between the two countries will aid the friendly exchange of visits by economic and trade figures from the two countries and help promote friendship between the Chinese and Indonesian peoples, he added.

HONG KONG ECONOMIC GROWTH PREDICTED 4-6 PERCENT

OW060926 Beijing XINHUA in English 0900 GMT 6 Sep 85

[Text] Hong Kong, September 6 (XINHUA) -- Hong Kong's economy will rise four to six percent this year, a local business leader predicted today. "Though the growth rate is lower than estimated in early 1985, it is still admired by many countries and regions," said President of the Chinese General Chamber of Commerce Henry Ying Tung Fok at a chamber meeting.

He described 1985 as "a turning year" in Hong Kong history, noting that the territory has entered a transitional period and that its future has become clearer with the signing of the Sino-British joint declaration. Hong Kong's exports rose nine percent in the first half of this year over the same period in 1984, though the United States -- the region's biggest export market -- slowed its economic growth and imposed more stringent trade protection during that period. Trade surplus had topped 1.9 billion H.K. dollars by the end of July, he said, while the real estate business is recovering.

Fok stressed that Hong Kong's textile industry will be hit heavily, if the "Jenkins bill", which seeks to restrict textile imports into the U.S., is passed by Congress. The Chinese General Chamber of Commerce and Hong Kong firms are pressuring the United States to protect the interests of the region's industry and commerce, he said.



XINHUA REPORTS NONALIGNED CONFERENCE COMMUNIQUE

OW091845 Beijing XINHUA in English 1829 GMT 9 Sep 85

["Roundup: South Africa's Apartheid Policy Nonaligned Movement Conference Attacks Apartheid" [as received] -- XINHUA headline]

[Text] Luanda, September 9 (XINHUA) -- The eighth ministerial conference of the Nonaligned Movement ended today with a communique calling for mandatory sanctions against South Africa because of its apartheid and aggression policies.

In a statement termed "The Luanda Special Communique on South Africa," the delegates called on U.N. Security Council to "urgently impose comprehensive and mandatory sanctions against South Africa." Delegates reaffirmed Nonaligned Movement's goals and principles including its opposition to interference in other states' internal affairs and to hegemony. They also called for measures to fight economic problems in developing countries.

In recent years, South Africa has brutally oppressed the country's black majority and taken hostile actions against its neighboring countries. The racist government threatens the region's peace and security, primarily because of its imposition of a state of emergency, its occupation of Namibia and its positioning of troops along the southern border of Angola. The nonaligned conference's unanimous attacks against South Africa's Government are viewed as strong support for the peoples in southern Africa, while condemning the racist stronghold.

The conference, agreed to find ways to combat growing economic problems, especially the rising foreign debt, in the developing countries. Foreign ministers urged cooperation among the developing countries to strengthen their economies. A majority regards boosting the debtor nations' economic capability and lessening their debt, rather than calling off the foreign debt, as a basic solution to the debt problem.

Zimbabwe was chosen to host the eighth nonaligned summit in 1986.

CEREMONIES, SPEECHES MARK NATIONAL TEACHERS DAY

## Zhao Speaks at University

OW100417 Beijing XINHUA Domestic Service in Chinese 1241 GMT 9 Sep 85

[Speech delivered by Zhao Ziyang on 9 September 1985 at a meeting at the Beijing Teachers University to celebrate Teachers Day]

[Text] Beijing, 9 Sep (XINHUA) -- Comrades: First of all, I would like to thank you for inviting me to celebrate with you New China's first Teachers Day. On behalf of the party Central Committee and the State Council, I extend warm congratulations and high respects to you and to teachers and comrades engaged in educational work throughout the country.

The NPC Standing Committee's decision to designate 10 September as China's Teachers Day shows that our society attaches importance to education and respects teachers. The work of teachers is sacred work. We can say that they are the disseminators and creators of civilization. They are playing an important role in the process of developing and advancing human society. In the new historical period, without the concerted efforts of teachers, it would be impossible to develop and invigorate China's education, to train a large number of highly qualified personnel to carry out socialist modernization, and to really raise the scientific and educational level of our nation. Without the concerted efforts of teachers, China's socialist modernization will not succeed. In this sense, we can say that the success or failure of our socialist modernization and the future of our motherland depend on education and the work of teachers. Therefore, the whole party, the whole country, and the whole society should attach importance to education and respect teachers. The public should vigorously support this principle and should form the habit of attaching importance to education and respecting teachers; this is the hallmark of a civilized society.

Our teachers are both the disseminators of modern science and technology, culture, and knowledge, as well as the disseminators of socialist customs. I hope all of you will work hard, thoroughly implement the CPC Central Committee's decision on restructuring the educational system, and train a large number of qualified personnel with ideals, culture, moral integrity, and discipline to promote socialist modernization.

The Beijing Teachers University was founded earlier and is larger than any other teachers training institute in China. It plays an important role in the history of educational development in China and exerts a major influence on institutes of higher learning and the entire educational front throughout the country. I hope that you comrades will carry forward the spirit of going after progress and strive to continuously improve the university. I wish all comrades good health and a happy holiday.

## Li Xiannian Sends Greetings

OW091253 Beijing XINHUA Domestic Service in Chinese 0937 GMT 9 Sep 85

[Open letter to teachers from Li Xiannian on 10 September 1985 to celebrate Teachers Day]

[Text] Beijing, 9 Sep (XINHUA) -- Esteemed and beloved teacher comrades of all nationalities: While various localities throughout the country are celebrating the glorious holiday of Teachers Day today, I extend my cordial greetings and highest tribute to you!

You -- the hundreds of thousands of teachers and educators at schools of all kinds and levels across the country -- are the vanguard army of the contingent of China's intellectual working class. Since the founding of the country, you have made tremendous contributions in training hundreds of millions of workers in various trades and professions imbued with consciousness, general knowledge, and physical strength, and hundreds of thousands of skilled personnel suitable for the development of modern science and technology in order to raise the scientific and cultural level of the whole nation. Every inch of the motherland's progress in building socialist material and spiritual civilization is permeated with your diligent labor. Even twists and turns on the road of progress and even political tempests can never shake your utter devotion to loving the party, the socialist motherland, and the undertaking of the people's education. The large number of outstanding teachers among you, who have demonstrated noble character, deserve to be called a generation of models for the people of the whole country. This is especially true of middle and primary school and kindergarten teachers who, under relatively impoverished living and working conditions, have worked wholeheartedly, like spring silkworms, for the younger generation of the motherland and painstakingly, like gardeners, in breeding beautiful flowers for the motherland. The party thanks you, the government thanks you, and the people thank you!

Education is a lofty undertaking. It must be oriented to the modernization, the world, and the future. The successors of the cause of communism depend on your nurturing. Their thinking and moral character awaits your molding. They rely on you for training them to inherit and develop the civilization of mankind. Your labor is a science as well as an artistic creation. Education has a direct bearing on the growth of the new generation of our country, the success or failure of the "four modernizations," the rise or decline of a nation, and the future of the motherland. As an ancient saying goes, "A rising country must respect and cherish the teachers." "Respecting teachers and valuing education" is an important hallmark of the civilization of a country and nation. Teaching should become one of the most respectable and admirable professions in society.

One of the important tasks of building socialist spiritual civilization in China is to foster an atmosphere of "respecting teachers and valuing education" throughout society. Responsible comrades of party committees and governments at various levels should visit schools regularly to hear opinions and demands of the broad masses of teachers, exert every effort to support the educational work, and use every available resource to solve their problems. It is necessary to show concern for their political, ideological, professional, and everyday life and help them solve all sorts of practical problems. The large number of teachers will understand that some problems, due to the limitations of objective conditions, cannot be solved immediately. We are convinced that along with the continuous development of the national economy and smooth progress in reform of the educational system, an atmosphere of "respecting teachers and valuing education" will be gradually fostered in society and that a situation of vigorous development will certainly emerge in the undertaking of education in our country.

Teacher comrades of all nationalities, you shoulder a heavy but glorious historical task. It is hoped that you will continuously improve your ideological and political awareness and cultural and professional level, imbue yourselves with a noble moral character and profound knowledge, and master the laws of education and teaching in order to teach and cultivate students and set good examples for them, thereby making still greater contributions to the undertaking of socialist education in the motherland.

A happy holiday to Comrades!



I. 10 Sep 85

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CHINA  
PRC NATIONAL AFFAIRS

### Wang Zhen at Middle School

OW090851 Beijing XINHUA Domestic Service in Chinese 1601 GMT 7 Sep 85

[Text] Beijing, 7 Sep (XINHUA) -- Wang Zhen, member of the Political Bureau of the CPC Central Committee, visited the experimental middle school affiliated with the Beijing Teachers University this afternoon to extend Teachers Day greetings to the school teachers who were celebrating their festival.

In his speech, Comrade Wang Zhen said: Respecting teachers is a fine tradition of the Chinese nation. Comrade Mao Zedong's letter to his teacher Comrade Xu Teli on the latter's birthday is a model example of respecting teachers. He said: It is necessary to further improve the political and social status of teachers and foster an atmosphere of respecting teachers in society. He encouraged the teachers to work unrelentingly to score even greater achievements in opening up a new situation in Chinese education.

After the speech, Comrade Wang Zhen had pictures taken together with the teachers and students. Zhou Peiyuan, vice chairman of the CPPCC National Committee, also visited the school to extend Teachers Day greetings to the teachers.

### Hu Qiaomu Addresses Teachers

OW090653 Beijing XINHUA Domestic Service in Chinese 1614 GMT 7 Sep 85

[Text] Beijing, 7 Sep (XINHUA) -- Hu Qiaomu, member of the Political Bureau of the CPC Central Committee, called on the faculty of the Beijing Teachers University today and delivered a speech at a general meeting of the teachers, students, staff members, and workers.

In the speech, Hu Qiaomu reviewed the Chinese tradition of respecting teachers and stressing education, and expounded on the importance of teachers training. He expressed the hope that while training teachers for higher education and studying the science of education, Beijing Teachers University will step up its efforts at training teachers for secondary education and talented personnel for writing reading materials for middle school teachers and students, as well as studying the science of secondary education.

Before his speech, Hu Qiaomu had discussions with some university professors to hear their opinions on educational reforms and teachers' education.

### Leaders Mark New School Year

OW100239 Beijing XINHUA Domestic Service in Chinese 0930 GMT 8 Sep 85

[By reporter Liu Lirchun]

[Text] Beijing, 8 Sep (XINHUA) -- In view of the upcoming Teachers Day, Wang Zhen, member of the Political Bureau of the CPC Central Committee; Deng Liqun, member of the Secretariat of the CPC Central Committee; and Li Peng, vice premier of the State Council and concurrently chairman of the State Education Commission, attended a ceremony today at the China People's University to mark the beginning of the new school year and extended gratitude and greetings to the hardworking teachers.



Tapping potential and setting up classes at various levels, the China People's University has enrolled some 8,400 new students this year, bringing the total enrollment to over 18,900. In their speeches at the ceremony, Wang Zhen, Deng Liqun, and Li Peng encouraged the China People's University to carry forward the glorious revolutionary traditions since the Yanan period and combine theory with practice in order to train more and better talented people, especially personnel specialized in administrative management and economic management, for the socialist modernization drive in our country.

Also attending the ceremony were Song Ping, state councillor and concurrently chairman of the State Planning Commission; Zhu Houze, director of the Propaganda Department of the CPC Central Committee; Lu Dong, chairman of the State Economic Commission; and responsible persons of central and other departments concerned and Beijing Municipality.

#### Exemplary Educator Recognized

OW060130 Beijing XINHUA Domestic Service in Chinese 1544 GMT 5 Sep 85

[By reporters Zhao Wei, Liu Linchun]

[Excerpts] Beijing, 5 Sep (XINHUA) -- At an inaugural meeting of the China Institute for Study of Tao Xingzhi, which was held today at the CPPCC Auditorium, Hu Qiaomu, member of the Political Bureau of the CPC Central Committee, said that "Mr Tao Xingzhi fully deserves to be remembered as one of contemporary China's outstanding educators, theoreticians, a great democratic fighter, communist fighter, and patriot."

Li Peng, minister in charge of the State Education Commission, attended one of the schools set up by Tao Xingzhi. In a brief speech he said he supports the study of Tao Xingzhi's educational ideas, which will be useful to educational reform.

State Councillor Zhang Jingfu, who is honorary president of the institute and was one of Tao's students, said with some emotion that Tao Xingzhi was the best teacher he had ever met in the old China.

Hu Qiaomu said in his speech that Tao Xingzhi was a good representative of those Chinese intellectuals who started as democrats and became communists. His faith in communism and his support for the party remain unchanged even during difficult times.

Liu Jiping, president of the China Institute for Study of Tao Xingzhi, also spoke. Xu Dixin, president of the China Tao Xingzhi Foundation, delivered a speech. Deng Liqun, Hu Yuzhi, Yang Jingren, and Mao Yisheng attended the inaugural meeting. Also present were Tao Xiaoguang, son of Tao Xingzhi, and approximately 400 people from educational and cultural circles.

#### Ni Zhifu Honored Educator

OW062221 Beijing XINHUA Domestic Service in Chinese 1452 GMT 5 Sep 85

[Excerpts] Beijing, 5 Sep (XINHUA) -- Qu Xiao, deputy dean of the College of Education, Yingkou City, Liaoning, at a mass meeting in the capital this afternoon, received the title of "National Outstanding Educational Worker" and the "1 May" labor medal with a certificate issued by the All-China Federation of Trade Unions. [ACFTU]

When Qu Xiao received these from Ni Zhifu, member of the Political Bureau and president of the ACFTU, people attending the meeting congratulated him with prolonged applause.

Luo Gan, vice president of the ACFTU, spoke at the meeting. More than 1,000 people, including leading comrades and office cadres of the ACFTU as well as teachers and students of the Chinese Workers' Movement College, attended today's meeting.

#### Wan Li Addresses Commission

OW060450 Beijing XINHUA Domestic Service in Chinese 1556 GMT 2 Sep 85

[By RENMIN RIBAO reporter Jiang Hanzhen and XINHUA reporter Lu Xigui]

[Text] Tianjin, 2 Sep (XINHUA) -- The State Education Commission held a meeting in Tianjin, from 29 August to 1 September, which was attended by vice governors or vice mayors from eight provinces and municipalities -- namely Beijing, Tianjin, Shanghai, Shandong, Jiangsu, Guangdong, Zhejiang, and Liaoning -- in charge of educational work to review the progress in implementing the "decision of the CPC Central Committee on reform of the educational system" by various localities.

During the meeting, Wan Li, member of the Political Bureau and the Secretariat of the CPC Central Committee and vice premier of the State Council, attended the meeting to hear briefings by various localities and assess their progress in transmitting and studying the guidelines of the national educational work conference, as well as their measures for and problems encountered in the course of implementing the "decision."

Wan Li spoke at the close of the meeting. He said: The purpose for calling this meeting was to understand the new situation and experience emerging in various localities in the course of implementing the "decision" in order to solve new problems and effectively carry out the "decision."

He said: In the past 3 months since the publication of the "decision of the CPC Central Committee on reform of the educational system," an unprecedentedly excellent situation has emerged on the country's education front. Attaching great importance to the educational work, a large number of far-sighted local party and government leading comrades have not only solved various practical problems on the education front, but have also gone deep to the grass roots to investigate and study schools of various types and at all levels, placing educational work in a strategic position on their agenda and paying as much attention to it as they have paid to economic work. Beijing, Tianjin, and other localities have taken immediate action to complete things that have never been done before, while Shanghai and other localities have already promulgated regulations to enforce the 9-year compulsory education system.

Wan Li said: This is only the beginning; we should never be satisfied with just this. He urged Beijing, Tianjin, Shanghai, and other coastal provinces and cities to foster an ambitious goal and play a leading role in and contribute more to implementing the "decision."

Discussing how to further implement the "decision" at the present and for the future, Wan Li put forth the following four-point opinion:

1. Responsible comrades of party and government organizations at various levels must eliminate chaos and restore order by thoroughly correcting any erroneous ideas that belittle education, skilled personnel, and knowledge; raising the understanding of the strategic position and role of education in building the socialist modernization, and paying earnest attention to education as a strategic issue. In eliminating chaos and restoring order, it is also necessary to do things according to the laws of education. Educational departments concerned must step up the study of science of education and do a good job in operating teacher training schools.
2. It is necessary to pay special attention to reform because there is much that can be done and achieved in education. All localities must proceed from the interests of the state and the people in reforming education. The focal point of educational reform should be popularizing education and raising its quality as much as possible.
3. All localities and departments should try their utmost to solve actual problems existing on the educational front and make determined efforts to save money from all possible sources and use it especially for the educational front.
4. It is necessary to make persevering and determined efforts to carry out the "decision" up to the end of this century. This is a protracted task that requires our constant attention.

He Dongchang, vice chairman of the State Education Commission and secretary of its party organization, presided over and spoke at the meeting. Attending the meeting were Ni Zhifu, secretary of the Tianjin Municipal CPC Committee; and Vice Chairmen of the State Education Commission Yang Haibo, Liu Bin, Peng Peiyun, Zou Shiyan, and Wang Mingda; as well as responsible comrades of the 8 provinces and municipalities in charge of education, totaling some 60 people.

#### Military Honors Teachers

OW100108 Beijing Domestic Service in Mandarin 1200 GMT 9 Sep 85

[Excerpt] Leading PLA organs, the Beijing PLA units, and military academies in Beijing sponsored various activities over the past few days to celebrate the upcoming Teachers Day.

The Beijing Military Region held a grand meeting this afternoon to celebrate Teachers Day. Representatives of the teachers of the China People's University, Beijing University, the Beijing Teachers University, and other schools were invited to attend the meeting. Qin Jiwei, alternate member of the Political Bureau of the CPC Central Committee and commander of the Beijing Military Region, spoke at the meeting, thanking the teachers for training Army personnel for both Army and local construction and extending greetings to them.

The PLA General Staff Department sponsored a forum on 7 September, which was attended by teachers representatives from military academies in Beijing. He Qizong, deputy chief of General Staff, attended the forum. After hearing opinions of the teachers representatives, He Qizong discussed with them the intensification of national defense education. He called on all armymen to value education and respect teachers. Leaders at all levels should do solid work for the undertaking of education and to benefit teachers.



The Air Force sent a comfort group led by Xing Dianfeng, deputy chief of staff of the Air Force. The comfort group flew to institutions of higher education on the frontier to express solicitude to the teachers engaged in national defense education under difficult conditions for a long time.

Navy Commander Liu Huaqing and Political Commissar Li Yaowen signed a notice on 6 September, commending 39 advanced teaching units and 257 advanced teachers of the Navy.

#### Wang Zhen at Party School

OW051305 Beijing XINHUA Domestic Service in Chinese 1248 GMT 4 Sep 85

[Text] Beijing, 4 Sep (XINHUA) — The opening ceremony of the Central Party School for the 1985 fall term was held in the school this morning. In his speech, Wang Zhen, member of the Political Bureau of the CPC Central Committee and president of the Central Party School, hoped that enrollees at the school would enhance their party spirit, carry forward the party's fine traditions and work style, and strive to be revolutionaries with courage and insight in the four modernizations drive.

Wang Zhen said: In his recent speech at the Central Party School, Comrade Hu Yaobang urged the school graduates to have courage and insight. To have courage means working for the party's interests regardless of one's safety. To have insight means following a correct direction, mastering scientific knowledge, and understanding the practical situation. To do this, we should conscientiously study Marxism-Leninism-Mao Zedong Thought, foster the communist world outlook, and acquire a profound knowledge.

Wang Zhen said: To build a powerful and modern socialist state, we should improve the methods of educating and training cadres. The Party School is charged with the important task of training leading cadres as well as reservists of party and government organs at all levels. To meet the demand of the new situation in the course of modernization, education at party schools should be reformed as regards the objectives of training, circular arrangements, and subject matter and methods of teaching, so as to bring up leading backbone elements in party and government organs who are more revolutionary, younger, better educated, and more proficient professionally.

Wang Zhen said: Recently the central authorities repeatedly stressed the need to enhance party spirit, strengthen discipline, and rectify the new malpractices. This deserves our great attention. He said: Facts have demonstrated that if our comrades lack a firm conviction in communism, lack an understanding of the basic theories of Marxism, and are not ready to work for the party's interests in disregard of their safety, it will be impossible to effectively resist and oppose erroneous things.

Wang Zhen said: We should continue to oppose the "left" ideological influence, as well as the bourgeois liberalistic trend. Comrade Deng Xiaoping has pointed out that the spreading of liberalistic ideas will throw our undertakings into confusion. In China, promoting bourgeois liberalization means taking the capitalist road. The result will be a chaotic, rather than a stable, society in our country. No construction can take place. This issue of principle is very crucial to us. Wang Zhen said: After graduating from the Party School, some enrollees may take up leading posts, while others may engage in ideological work. They should all keep in mind these words of Comrade Deng Xiaoping.



Attending the opening ceremony were Deng Lique, member of the CPC Central Committee Secretariat; Han Tianshi, secretary of the CPC Central Committee's Discipline Inspection Commission; Zhu Houze, director of the CPC Central Committee Propaganda Department; Jiang Nanxiang, first vice president of the Party School of the CPC Central Committee; and Song Yiping, secretary of the party committee of central and state organs.

#### NPC REPORT ON EXAMINATION OF EDUCATION BILLS

OW071117 Beijing XINHUA Domestic Service in Chinese 1239 GMT 6 Sep 85

[Report on the results of examination of the bills proposed by deputies and sent to the Educational, Scientific, Cultural, and Public Health Committee for examination by the Presidium of the Third Session of the Sixth National People's Congress -- approved by the 12th Meeting of the Standing Committee of the 6th NPC on 6 September 1985]

[Excerpts] Beijing, 6 Sep (XINHUA) -- The Standing Committee of the Sixth National People's Congress: After a thorough investigation and having solicited opinions of departments concerned, this committee held its 12th meeting on 17 July 1985 to examine individually the four bills (Nos 26, 41, 16 and 103), which the Presidium of the Third Session of the Sixth NPC handed down to this committee for examination. This committee holds that the proposals contained in the four bills -- which concern the formulation of compulsory education law, the strengthening of vocational education, and the acceleration of training personnel for mountainous areas -- are all major tasks relating to the four modernizations, spiritual civilization, and the implementation of the "decision of the Central Committee of the Communist Party of China on reform of the educational system" and deserve the highest attention. This committee agrees to the formulation of the compulsory education law (Nos 26 and 41), and recommends that the General Office of the Standing Committee of the NPC send to departments concerned for study and handling the ideas about strengthening vocational education (No 16) and accelerating the training of personnel for mountainous areas as proposals made by deputies.

The following are this committee's opinions about how to handle the four bills:

1. Bills No 26 and No 41, tabled by Hu Keshi and 80 other deputies and by Liu Dan and 33 other deputies, propose the formulation of the "universal and compulsory education law." This committee, considering these two bills as extremely important, has consulted with the State Educational Commission on its rapid formulation.

The State Education Commission is drafting the "universal and compulsory education law" while soliciting opinions from all concerned units in the hope of submitting it to the State Council and the Standing Committee of the NPC for examination at the earliest possible time.

2. Bill No 16, tabled by Lu Yongxiang and 29 other deputies, proposed legislation to strengthen vocational education. This committee is of the opinion that, meeting the needs of the modernization drive and the people in general, this bill should attract sufficient attention.

Attaching importance to this bill, the State Education Commission is drafting methods to carry out vocational education and plans to formulate the vocational and technical education law after the drafting is completed. Regarding the clauses of the labor law and taxation law having relations with the development of vocational education, the State Education Commission will seek solutions with the Ministry of Labor and Personnel and the Ministry of Finance.

3. Bill No 103, tabled by Li Cai and 29 other deputies, calls for forceful measures to accelerate the training of personnel for mountainous areas. This committee considers that problems noted in this bill deserve attention. This committee recommends that the State Education Commission contemplate concrete measures and embody them in the "universal and compulsory law" and other related laws and regulations.

Please examine whether these opinions are appropriate. The Education, Science, Culture, and Public Health Committee of the National People's Congress, 17 July 1985.

PLA ISSUES CIRCULAR ON PROMOTING EDUCATION

OW051119 Beijing XINHUA Domestic Service in Chinese 0135 GMT 4 Sep 85

[Text] Beijing, 4 Sep (XINHUA) — The PLA General Political Department recently issued a circular calling on the whole Army to conduct in-depth "education to foster lofty ideals and moral integrity, to gain general knowledge, and to cultivate a strong sense of discipline."

The General Political Department's circular points out: In conducting "education to foster lofty ideals and moral integrity, to gain general knowledge, and to cultivate a strong sense of discipline," it is imperative to act in accordance with the guidelines contained in the recent circular of the Central Commission for Guiding Party Rectification and earnestly organize the PLA units to study the six important speeches by Comrades Deng Xiaoping and Chen Yun. This is of vital importance in deeply understanding the need for building socialism with Chinese characteristics; grasping the correctness of the party's line, principles, and policies; and further strengthening confidence in communism. To do so is also very important in implementing the guidelines of the Central Military Commission's enlarged meeting; increasing confidence in reform; making the structural reform and reduction-in-strength reorganization a success; fulfilling the task of party rectification and consolidating and developing its results; carrying out the spirit of the circular of the party Central Committee and the State Council, which urges people all over the whole country to respect, cherish, and support the Army; promoting self-esteem; and doing good work to build a modern, regular, and revolutionary army.

The circular states: To conduct in depth "education to foster lofty ideals and moral integrity, to gain general knowledge, and to cultivate a strong sense of discipline," it is necessary to take the actual situation of our Army into account and pay particular attention to the following points:

1. We should carry out education in communist ideals and should never forget the lofty ideals of communism. Education should be conducted with respect to fundamental theories to assist cadres and fighters in acquiring a rational knowledge of socialism and communism, thus heightening their basic ideological awareness. We should educate them in clearly understanding the fact that the line, principles, and policies formulated since the 3d Plenary Session of the 11th CPC Central Committee are correct; take the initiative to implement them; and act as models in learning and carrying out party policies and state laws and decrees.

2. Education to foster lofty ideals should be linked with realistic work goals. That is, we should translate the ideals into a concrete action to achieve the work goal set by the 12th CPC National Congress.

Struggle for the realization of the communist ideals should be embodied in the action taken by various units, departments, and individuals in making contributions to the accomplishment of the four modernizations. Making positive efforts to do one's work well and devoting oneself to the program of the four modernizations are the best concrete actions in realizing the great communist ideals.

3. Education to foster lofty ideals should also be linked with the PLA units' reduction-in-strength reorganization. Emphasis should be placed on heightening the ideological awareness of cadres and fighters to serve the people wholeheartedly, enhancing their concept of party spirit and enabling them to meet the needs of the whole, properly resolve the various problems within PLA units, and correctly handle and deal with the relationships between personal interests and revolutionary interests, between the interests of the part and the interest of the whole, and between immediate interests and long-term interests to ensure the smooth progress of reform and the reduction-in-strength reorganization.

Cadres and fighters should be educated in such a way that they will inherit and carry forward the party's fine style. In particular, leading cadres and Communist Party members are requested to adhere to the principle of party spirit; improve party style on their own initiative; act in strict compliance with the Central Military Commission's guidelines, plans, and policy requirements; resolutely resist and oppose the various unhealthy practices; and see to it that the tasks of structural reform and the reduction-in-strength reorganization will be fulfilled satisfactorily.

4. Efforts should be made to strengthen education to enable cadres and fighters to abide by discipline. It is imperative to educate cadres and fighters in cultivating a strong sense of organization and discipline, taking the initiative to observe and maintain party and Army discipline, and seeing to it that orders and prohibitions are strictly enforced.

It is the binding duty and obligation of every cadre and fighter to observe party and Army discipline and to abide by state laws and decrees. Leading cadres should take the lead in observing, maintaining, and enforcing discipline, boldly act as examples, and dare to shoulder responsibilities. Violations of discipline in the course of the reduction-in-strength reorganization should be seriously investigated and dealt with one by one; in no way should such instances be tolerated or given lenient treatment.

The circular urges that party committees at all levels make appropriate arrangements to carry out study. In this regard, the important speeches by Comrades Deng Xiaoping and Chen Yun should be taken as guiding documents for doing successful ideological and political work. In carrying out the study, it is necessary to use the methods of persuasion, education, enlightenment, and guidance. Efforts should be made to use positive factors, give publicity to advanced models, and pay particular attention to discovering and publicizing the advanced models in one's own unit.

Meanwhile, various mass self-education campaigns should be developed. It is necessary to keep to the principle of seeking truth from facts, guard against oversimplification and one-sidedness in dealing with problems, and refrain from using the "leftist" methods of the past. What is imperative is studying again and again while taking reality into consideration.

Above all, cadres should take the lead to study and put what they have learned into practice. They should put strict demands on themselves and use their exemplary action to influence and stimulate their respective units.



SIXTH 5-YEAR PLAN MARKED BY STEADY GROWTH

HK061434 Beijing ZHONGGUO XINWEN SHE in Chinese 0911 GMT 5 Sep 85

[Text] Beijing, 5 Sep (ZHONGGUO XINWEN SHE) -- The latest statistics show that China's Sixth 5-Year Plan (from 1981 to 1985) has been marked by the sustained, balanced, and steady growth of industrial and agricultural output value and national income, with five marked changes in economic life. These changes are:

-- A breakaway from the long state of being closed to the world. China's economy has begun to switch over from a closed to an open type. Now, China's ranking in total world trade has risen from 32d to 16th, with the total value of customs imports and exports is up from \$38.3 billion in 1980 to \$53.5 billion in 1984. Up to now, China has used foreign capital, in various ways, to the amount of more than \$18 billion, and has approved and operated over 1,100 joint-venture enterprises. China has also committed itself to contracts for projects and labor cooperation in more than 50 countries and regions, with over 1,900 agreements signed and a turnover of more than \$1.8 billion realized. It has launched 140-plus joint-venture enterprises of various kinds abroad.

-- A breakaway from the previous management system of separation between departments or organs. There has been ever greater economic trade between provinces or areas, dialogue between east and west, exchanges between south and north, and mutual cooperation between various economic cooperation areas. In the 4 years from 1981 to 1984, various areas of the country concluded more than 31,000 economic cooperation agreements and contracts in the form of letters of intent, with short-term and temporary cooperation gradually giving away to long-term and steady cooperation. In China's vast lands, there have appeared three new patterns of economic cooperation -- urban economic and technical cooperation complexes, cross-trade and trans-district complexes, and technical market and information service networks.

-- A marked improvement during the period of the "Sixth 5-Year Plan" in the situation marked by a long period of a seriously unbalanced national economy. A basic balance has been achieved in the relations between industry and agriculture, between light and heavy industry, and between consumption and accumulation. In the past 1 or 2 years, light and heavy industries have basically been in a ratio of 50:50. In the first half of 1985, light and heavy industries developed simultaneously. There was also an improvement in the previous situation of an imbalance between accumulation and consumption.

-- A rapid development of collective and individual economies, with whole people ownership in a dominant economic position. In the countryside, 99 percent of the areas have introduced the system of fixing farm output quotas for each household. In the cities and towns, the number of workers connected with the system of collective ownership has risen from 20 million in 1978 to 30 million, and the number of individual operators from 150,000 to 3.39 million. Apart from collective and individual operations, such operating patterns as joint ventures between the state and the collective, between the whole people and the private sector, between Chinese and foreigners, and between Chinese and Overseas Chinese and Hong Kong and Macao industrialists and businessmen, and so forth have bombed. Up to the end of 1984, China set up 2,248 trade centers of various kinds in cities and held 56,500 urban and rural fairs.

— A relatively great improvement in the income and consumption level of urban and rural residents. The annual rate of increase in peasants' per capita income in the past 4 years was 15.6 percent compared with an annual rate of increase of less than 3 percent in the 21 years from 1958 to 1978. The annual rate of increase in per capita income for workers families was 8.5 percent. The total wages of workers throughout the country this year will reach 138 billion yuan, an increase of 60.7 billion yuan compared with the early years of the "Sixth 5-Year Plan." The average workers wage will reach 1,143 yuan, an increase of 50 percent compared with that in the early years of the "Sixth 5-Year Plan."

JINGJI RIBAO COMMENTS ON BALANCE OF PAYMENTS

HK100144 Beijing JINGJI RIBAO in Chinese 2 Sep 85 p 1

[Commentator's article: "A Step Taken To Promote the Work of Opening Up To the Outside World"]

[Text] China has made public the country's balance of international payments. This shows that our national economy is embarking on a normal path. The balance of international payments figures will provide China's major policymaking departments and research institutes with important numerical information and push forward the work of opening to the outside world.

The balance of international payments is the record of a country's external economic, political, and cultural exchanges carried out within a certain period, expressed in a monetary form. Most countries make public their balance of international payments figures. As China's economy has long been somewhat isolated, the country has never published its balance of international payments figures. With the further development of opening up to the outside world, trade and nontrade spheres have expanded year by year and capital inflow and outflow has increased rapidly. The amount of foreign capital has increased and business methods are varied. In order to comprehensively plan, forecast, and control the scope and speed of the work of opening up to the outside world so that international financial organizations and foreign investors can have a clear idea of China's international payments, as well as to ensure the implementation of China's unswerving principle of opening up to the outside world in a prudent manner, it is absolutely necessary to draft and make public China's balance of international payments figures.

International payments occupy an important place in China's national economy. While they serve as the window in opening up to the outside world, they also condition the scope and speed of the work in this respect. The favorable or unfavorable balance of international payments can have a great impact on state revenue, currency circulation, and foreign exchange reserves. Viewed from the economic development experiences of many developing countries, in the early period of its economic development, a state should keep close watch over its international payments and appropriately handle its unfavorable balance of international payments. Apart from having a great demand for foreign exchange, China badly needs to draw a large amount of foreign capital. Therefore, it will be of great significance to draft and make public China's balance of international payments figures. This will ensure the coordinated, steady, and sustained development of our national economy.

STATE COUNCIL LIMITS CAPITAL CONSTRUCTION

OW070150 Beijing XINHUA Domestic Service in Chinese 0838 GMT 6 Sep 85

[Text] Beijing, 6 Sep (XINHUA) — The State Council recently issued a circular calling on all regions and departments to keep the overall situation in mind and refrain from expanding their 1985 investment level for capital construction projects.

The "circular" says: Since the beginning of June this year, all regions and departments have earnestly followed the guidelines of related State Council meetings and slashed their capital construction investments. However, according to reports, many regions have still requested investment increases because at the beginning of the year they planned and started too many construction projects, and even after slashing some projects they could not conform to the limits assigned by the state. Some of the requests are reasonable. However, to ensure steady development of the national economy and smooth progress of the economic restructuring as a whole, it is imperative to strictly control the scale of capital construction. Therefore, the State Council has laid down the following regulations:

1. The total 1985 capital construction investment must be strictly limited to the level assigned by the state, and the state will not permit any increases. All regions must make a thorough investigation, be determined to stop or postpone those projects that do not yield good economic results, and go ahead with those that will certainly yield very good economic results. However, readjustments must be made within the allowed level for continuation of the projects.
2. Banks must grant loans for capital construction projects strictly according to the state's investment plan for capital construction. Loans for projects not listed in the state plan must be immediately stopped. These loans and those exceeding the plan, which have already been granted, must be withdrawn from the concerned units' bank deposits.
3. Regions and departments raising funds by themselves for capital construction projects must strictly follow the State Council's related regulations, and the funds they have deposited in the Construction Bank after 30 June shall not be used for this purpose this year. If their deposits in the first half of this year are lower than what is needed for capital construction projects to be funded by themselves, the State Planning Commission will reduce the level of their funding. If their deposits are more than the allowed level, they must carry out their projects within the allowed level.

Aside from the Construction Bank, no bank should accept deposits or grant loans for self-funding construction projects. An investigation should be made of the five categories of construction projects that were not placed under capital construction funds in the past, and their construction must be carried out strictly according to the state's regulations of the method of funding and the purpose of projects. Except for construction of middle and primary schools, the remaining four categories must also be controlled.



COMMENTARY STRESSES ENLIVENING ENTERPRISES

OWO91205 Beijing XINHUA Domestic Service in Chinese 0942 GMT 6 Sep 85

[XINHUA commentator: "Strive To Create the Conditions for Invigorating Large- and Medium-Sized Enterprises"]

[Text] Beijing, 6 Sep (XINHUA) -- Along with the progress in urban economic reform, China's large- and medium-sized state enterprises have been gradually invigorated. This is of great importance to the development of the Chinese national economy. However, we should also notice that the progress has been quite uneven and that much remains to be done in enlivening the large- and medium-sized enterprises.

According to surveys by departments concerned, only a small number of China's large- and medium-sized state enterprises have been invigorated in the initial stage and have embarked on a healthy cycle. An overwhelming majority of the enterprises have basically not been enlivened, or have not been enlivened enough. This, no doubt, is related to the work performance of an enterprise itself. The attitude of various localities and departments toward creating the necessary external conditions for the reform of the enterprises also constitutes an important factor.

As far as the creation of external conditions for invigorating large- and medium-sized state enterprises is concerned, there are two problems that urgently need to be solved:

First, there are many "mothers-in-law" at the top. In addition to the departments and the bureaus, there are the corporations on top of many of the enterprises. Some of these organizations have continued to follow the old practice of managing the enterprises. As a result, a large portion of the decision-making powers granted to the enterprises by the state has been retained by the organizations. It is necessary to make determined efforts to reduce such intermediate links between the state and the enterprises and earnestly implement the principles of separating government from enterprise functions and of streamlining administration and delegating powers to lower levels. Only by doing so can the large- and medium-sized enterprises really get the decision-making powers they deserve and enliven their production and management.

Second, the burden on the back is heavy. According to surveys, the percentage of profits delivered to the state is roughly 30 percent from village and township enterprises, 50 percent from collective enterprises in cities and towns, and 80 to 90 percent from large state enterprises. Moreover, with all types of expenditures -- especially funds collected and apportioned by various quarters -- a large number of large- and medium-sized enterprises have to shoulder a heavy burden and are left with few resources for self-improvement and development. In order to solve this problem, the state must adopt measures to lighten the burden of the enterprises, and, more importantly, all quarters concerned must greatly reduce all sorts of apportionment on the enterprises.

In order to invigorate the large- and medium-sized enterprises, it is also necessary to solve some ideological problems. For example, some comrades understand the strengthening and macroeconomic activities as increasing the number of administrative organs to supervise the enterprises and exercise overall control over them. Such an understanding is obviously wrong. There are also other comrades who only care about the current profits of who collect money from enterprises for partial and local interests regardless of reserving strength for the long-term development of their enterprises. Such a practice is also undesirable.

The "decision of the CPC Central Committee on reform of the economic structure" points out: "The key to the restructuring of the national economy, with the focus on the urban economy, is the invigoration of enterprises, particularly the large- and medium-sized enterprises owned by the entire people." It is necessary for us to deepen our understanding of this correct thesis. Judging from the latest materials supplied by the State Statistical Bureau, in 1984 an overwhelming majority of China's 5,800 large- and medium-sized state enterprises were related to energy, raw and semi-finished materials, and equipment industries, with industrial output value, fixed assets, and profit delivery to the state respectively accounting for 47.1, 65.7, and 65.9 percent of those of all enterprises in the country. These enterprises undertake the principal responsibility of the state mandatory plan and financial revenues and form the backbone for achieving China's socialist modernization.

Leading comrades at all levels must be fully aware of their decisive role in the national economy and understand the great importance of invigorating the large- and medium-sized enterprises in the building of a dynamic socialist economic system in our country. Only by these means can we conscientiously support, not obstruct, reform of the large- and medium-sized enterprises in various fields and instill life and vigor into these enterprises having a bearing on the national economy and the people's livelihood.

#### PUNISHMENT URGED FOR FRAUDULANT BUSINESS PRACTICES

OW061303 Beijing XINHUA Domestic Service in Chinese 0844 GMT 31 Aug 85

["Commentary" by XINHUA commentator: "Those Who Do Evil to the People Should be Severely Punished"]

[Text] Chengdu, 31 Aug (XINHUA) -- A few criminals who made and sold tainted wine in Sichuan Province have been punished according to the law. Some have been given death sentences, which they deserve.

Some time ago an intolerable practice surfaced in the economic field. For the sake of making money, a few lawbreakers have disregarded party discipline, state laws, and consumer interests, even causing death to others. The masses have shown tremendous indignation by cursing these criminals for what they have done. To safeguard normal economic order and the interests of large numbers of consumers, these criminals elements should be severely punished according to the law.

The party's policy of opening to the outside world and enlivening the economy at home will make the country strong and the people rich. However, one should abide by the law and work hard to get rich, and one should not harm the state or the people in order to acquire huge profits. Zuo Chenghong and his company turned criminal because they were bent on seeking profits by fair means or foul. Xie Ling and Wu Zijun participated in this criminal activity. One of them is a people's deputy of Xicheng District, Chengdu City, while the other is a Communist Party member. Both were enterprise managers. But they have entirely forgotten the goal that Communist Party members and cadres should wholeheartedly serve the people. They have done great evil by trampling party discipline and state laws underfoot for the sake of ill-gotten gains. For this instance, we see that the decadent bourgeois idea of blindly pursuing profits out of greed is an opiate that corrupts the people's soul. Those who subscribe to this idea will be bogged down in the mire of criminality and will not be able to extricate themselves.

Some people think that it is not a heinous crime to defraud while doing business to make money. In fact, this shows their ignorance of the legal system. Adulterating commodities; passing off substandard products as good ones; using counterfeit trademarks; and producing and selling fake drugs, tobacco, and wine and unsanitary foods are criminal activities that do evil to the state and the people. These are impermissible by state law.

A famous Chinese saying goes: He who commits evil against others will end up harming himself. Start harming people and you will be harmed in the end. This is an inevitable law of events. Those who forget righteousness in the face of profits and who engage in production of fake drugs and wine that harm the people should take warning.

NOTICE ON RESETTLEMENT OF DEMOBILIZED ARMYMEN

OWO71431 Beijing XINHUA Domestic Service in Chinese 0809 GMT 6 Sep 85

[Text] Beijing, 6 Sep (XINHUA) -- In a recent notice, the General Offices of the CPC Central Committee, the State Council, and the Central Military Commission urged all localities in the country to do a good job in 1985 in resettling cadres who have been demobilized from the Armed Forces.

The notice, which was issued by the three General Offices along with the document "Opinions on the Proper Resettlement of Demobilized Military Cadres in 1985" prepared by the State Council's Group in Charge of Resettlement of Demobilized Military Cadres, the Organization Department of the CPC Central Committee, the PLA General Political Department, the Ministry of Labor and Personnel, and the Ministry of Finance, points out: In accordance with the CPC Central Committee's policy decision to reduce the Armed Forces by 1 million during the course of the Armed Forces' structural reform and reduction-in-strength reorganization, a large number of military cadres will be demobilized during the next 2 or 3 years. The proper resettlement of these cadres is important in the implementation of this major policy decision, the acceleration of the reform and modernization of the Armed Forces, the process of expediting national economic construction, and the promotion of unity between the military and the local authorities.

The notice says: The resettlement of the large numbers of cadres demobilized from the Armed Forces is a very important political mission. The Armed Forces and party committees and governments of all localities must intensify their leadership over this mission in accordance with the guidance of the CPC Central Committee, the State Council, and the Central Military Commission. All the recipient units and departments must consider the needs of the general situation and warmly welcome these demobilized cadres from the Armed Forces, properly resettle them, earnestly train them, and use them rationally. Other departments concerned should work in close coordination with these units, and support each other. By means of ideological work, the Armed Forces should educate the demobilized cadres to carry forward the PLA's fine traditions, uphold their lofty ideals, maintain a high sense of discipline, and pleasantly accept their assignments and work wherever they are needed most by the four modernizations.

The State Council's Group in Charge of Resettlement of Demobilized Military Cadres, and the four other units point out in their "opinions": The cadres to be demobilized from the military have contributed their service to national defense over a long period of time. Not only have they demonstrated a high level of political consciousness and a high sense of organization and discipline, they are also experienced in doing practical work.



Some cadres, who have been trained as "dual purpose personnel" in the service, are quite knowledgeable in economic construction. After they have been demobilized, they will certainly become an important force in the economic construction in all localities. Party committees and governments at all levels must consider the needs of the general situation, firmly adhere to the guidelines for reform, surmount all types of problems, and be determined to do their jobs well, so that the cadres demobilized from the Armed Forces can be properly settled in places where they can give full scope to their abilities. To achieve this objective, we have the following requirements:

1. In principle, these cadres should be resettled and assigned to work at the basic-level units of all trades and professions in the provinces, autonomous regions and municipalities directly under the central government where their hometowns are located, and where they enlisted. In case additional personnel are needed, various departments, newly established units and units being expanded should first of all hire their needed personnel from among these cadres. Proper consideration should be given to those cadres who must be resettled in other localities because of actual problems. The demobilized cadres should be encouraged to take part in construction projects in remote areas where life is hard, and proper arrangements should be made for them by these areas. These cadres should be placed according to the needs of local construction, the party's "four requirements", as well as their qualifications and their jobs in the military. In general, professional and technical cadres should be given jobs compatible with their training.

2. The Armed Forces and the local authorities should share the task of giving specialized training to those cadres to be demobilized from the Armed Forces. This task should be properly accomplished according to the instructions of the State Council and the Central Military Commission. With the exception of professional and technical personnel, who should be given jobs compatible with their training, all the other demobilized cadres should -- in accordance with the principle of "train first, work second" -- be trained for approximately 6 months after they have reported to work. On the basis of actual needs and through various channels, all localities should actively organize various types of training programs. Departments in charge of the resettlement of demobilized military cadres are responsible for the overall planning, and should coordinate and supervise the work in various sectors, review the work, and improve it.

3. It is an important task to make arrangements so that the spouses (who are employed) of the demobilized cadres can be transferred to the civilian departments at the same time. This task should be properly done according to the division-in-labor principle according to which the placement of cadres should be handled by the personnel departments, and "the placement of workers should be handled by the labor departments." In discharging their respective responsibilities these departments should ensure that demobilized cadres and their spouses will be received, resettled, and notified to report to work at the same time. Education departments at all levels should also make the proper arrangements for the schooling of the children of the demobilized cadres.

4. The problem of housing for demobilized cadres should be resolved primarily with local resources, with subsidies from the central authorities. In assigning living quarters, various units should first of all consider the urgent needs of demobilized cadres.

The "opinions" also set forth specific rules for the amount of administrative expenses needed for resettling demobilized cadres, and the numbers of demobilized cadres to be accepted by units under the central state organs.

The "opinions" point out: The resettlement of demobilized cadres is carried out under the central authorities' leadership and unified planning. As the restructuring of the national economy -- especially the urban economy -- continues to develop, certain new trades and professions, departments, newly established units, and units being expanded, will need additional personnel. Over the years, all localities have accumulated rich experiences in resettling demobilized army men. This is a favorable factor toward accomplishing this project for this year, especially since the cadres to be demobilized this year are more proficient than before. However, there will still be many problems to be resolved before we can accomplish this task. This being the case, the Armed Forces and the local authorities should support each other, cooperate with one another closely, and deal with their problems through consultations in accordance with the relevant policies and regulations. Both the Armed Forces and the local authorities must strictly execute the regulations governing resettlement, uphold the principles, operate impartially, and guard against unhealthy practices. Under the unified leadership of party committees and governments at all levels, all departments concerned must work in close coordination with one another and exert joint efforts together so as to make this year's project of resettling demobilized cadres a success.

#### OIL MINISTER WANG TAO ON SHENGLI PROSPECTS

OW071210 Beijing XINHUA in English 1134 GMT 7 Sep 85

[Text] Jinan, September 7 (XINHUA) -- China's second largest oilfield, Shengli, could be producing 50 million tons of oil a year by 1989, Petroleum Minister Wang Tao said today. The figure would be close to the present annual oil production at the country's biggest oilfield, Daqing, in the northeast. Shengli produced 2.3 million tons last year. The minister made an inspection tour of Shengli on the Yellow River delta last month.

Only a fraction of the 25,000 square kilometer Jiyang depression where the oilfield is has been prospected and exploited, indicating a great potential for the region, he said. Surveys show that four parts of the oilfield have good development potential, he added. Forty-nine oil pools have been found in the oilfield, and 29 of them are being exploited.

However, Wang Tao warned that it would be no easy task to reach the 50-million-ton goal. He urged oilfield officials to avoid errors in carrying out development strategies. The minister called on the field's 130,000 officials and workers to increase production at the exploited pools, make further efforts to locate new ones, and to adopt advanced management techniques.

#### Zhongyuan Oil Reserves Verified

OW061649 Beijing XINHUA in English 1612 GMT 6 Sep 85

[Text] Zhengzhou, September 5 (XINHUA) -- Oil reserves discovered in the Zhongyuan oilfield in central China have increased at an average of 700 million bbl a year during the past two years. The Zhongyuan oilfield is part of the sedimentation zone of Bohai Bay and is rich in oil and gas deposits, according to local geologists.

Up to the present, 60 oil traps in the tertiary system, and 34 others have been discovered. Reserves in 12 traps have been verified, where 11 others showed signs of oil and gas-bearing strata.

According to the oilfield authorities, oil and gas-bearing pools cover a large area north of the Yellow River while major breakthroughs were made of late in areas south of the river. There are more than 40 Cenozoic and Mesozoic basins in the oilfield, but only the Dongpu depression, one-tenth of the oilfield only, has been surveyed.

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XIAMEN PLA UNITS TURN FORTIFIED AREAS TO TOURISM

HK091320 Beijing ZHONGGUO XINWEN SHE Chinese 0912 GMT 8 Sep 85

[Report: "PLA Units Stationed in Xiamen Gave Up Several Fortified Areas in Order To Develop Tourism"]

[Text] Xiamen, 8 Sep (ZHONGGUO XINWEN SHE) -- In the past 5 years, with the emergence of a peaceful atmosphere on the two shores of the Taiwan Strait and Xiamen's opening up to the world, PLA units stationed in Xiamen have evacuated 72 barracks, giving up to the local authorities 10 fortified areas -- such as Hulishan fort, Baishi fort, Huxi Crag, Bailu Cave, Gulang Islet, Dadeji and Langdong Shan -- for the development of tourism.

At present, the relevant department in Xiamen is accelerating the renovation of these scenic and historical sites. The plan to renovate Hulishan fort has been made. It will be restored to its original form as a castle barracks in the Qing Dynasty. A road leading to "Huxi Crag," which is one of the eight most famous scenic spots in Xiamen, has been constructed. Tourists are expected to enjoy "Huxi night moon" on the night of the Mid-Autumn Festival of this year.

JIANGSU'S HAN PEIXIN MARKS TEACHERS DAY

OW092350 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 7 Sep 85

[Excerpt] Last evening, the Jiangsu Education Department, the Jiangsu television station and other units cosponsored a televised literary and art gathering at the Nanjing Zhongshan (?highway) stadium to mark the first Teachers Day. Han Peixin, Shen Daren, [words indistinct], Zhou Ze, Yang Yongyi and other leading comrades attended. Forty representative outstanding teachers were also invited to attend the gathering.

FORMER JIANGXI SECRETARY ON HELPING NEW LEADERS

HK091239 Beijing RENMIN RIBAO in Chinese 28 Aug 85 p 4

[Article by Bai Dongcai: "Help Them Mount the Horses, Let Them Ride With Free Reins"]

[Excerpts] Editor's note: The following is Comrade Bai Dongcai's speech delivered at a meeting on 5 July. With the approval of Comrade Bai Dongcai, we have published excerpts of his speech. The author did not go over the excerpted version. [end editor's note]

Jiangxi recently held its eighth CPC Congress and elected the new leading body for the provincial CPC Committee. A number of old cadres have withdrawn from their posts while a number of young cadres have been promoted, a collective succession of old cadres by younger ones. From the response of various quarters, I think our congress has been a success. Everyone is rather satisfied with the 10 newly elected Standing Committee members of the provincial CPC Committee. Most of them have special knowledge of a particular work experience. In addition, they are relatively young. Therefore, it is a competent leading body that accords with the "four requirements for cadres" and that can undertake the heavy responsibility of leading the people of the whole province in carrying out the four modernizations program. Utterly devoted to the revolutionary cause, Comrade Wan Shaofen, head of the new leading body, maintains close ties with the masses and has an enterprising spirit and a wide range of knowledge and working experience. I believe that she will definitely be able to unite all members of the leading body and conscientiously do well the work in Jiangxi.

How, then, should the old comrades who have withdrawn support the newly promoted comrades in their work? There was a saying in the past that went: Following the succession of old cadres by new ones, old cadres should help the new ones "mount the horses and accompany them part of their way." I put forward that saying in the past. In light of the developing situation and the actual circumstances of Jiangxi's new leading body, I think there should be a new saying and explanation. With regard to the members of the new leading body, I would help them mount the horses and then say good-bye. Why should we not accompany them part of the way? First, it is unnecessary. We veteran comrades have full confidence in the new leading body. As, on the Chang Jiang, the waves behind drive on those before, we believe that the new leading body will definitely be able to create a new situation. Second, if we accompany them, it may disturb their work. Take the following example: If there is only one horse and I have to "accompany a new cadre part of the way," I will have to ride on the horse because I am older and have a long record of service. If both Wan Shaofen and I defer to each other out of modesty and both of us lead the horse instead of riding, it will be too slow and fail to meet the demands of building the four modernizations at top speed. If she rides on the horse and runs ahead, while I follow behind, how can I catch up to her? Is this not bringing trouble upon oneself? Is it appropriate for us to look for another horse and for both of us to ride? No, that would mean creating "two carriages."

To refuse to see them off does not mean giving them no support. In my opinion, not disturbing their work is tantamount to offering them earnest support. If I meddle in everything, they will be overcautious in making decisions. Furthermore, I have not handled routine work for some time, so I am divorced from practice. As I am now advanced in age, I can no longer make systematic studies and investigations. Without keeping abreast of new circumstances and changes taking place with each passing day, it is simply impossible to offer good advice. If we issue incorrect orders, it will mess things up.

Naturally, the veteran comrades who have worked in Jiangxi for more than 30 years have a clear understanding of the history of the province. If they, including myself, hold that it is necessary for me to make a few remarks or to do something, I will resolutely stand up to support the young cadres. This is beyond doubt. However, I am not willing to meddle in their business under general circumstances.

Some veteran comrades say that it is difficult to while away the time after withdrawing from their posts. Some veteran comrades recently came to see me and introduced their experiences. Everything was all right when they withdrew from their posts. After a month or so, however, they found it difficult to pass the time. Before the relief of this symptom, it is said that another new symptom called the "retired old cadres syndrome" has appeared. This is not my invention. An old comrade told me this story. Will I be infected by this disease? I hope not. Are there not the terms necessity and freedom in philosophy? With deepened understanding, one will inevitably gain freedom. I will be 70 by January next year. It is rare that people live on to 70. We have withdrawn in accordance with the needs of the party and state. This conforms to the course of nature. I can also think clearly and get about quite well. My life is not hollow and I am sure I will not be infected by the so-called "retired old cadre syndrome." In compliance with the course of nature, our old comrades should straighten out their thinking and try to adapt themselves to the new situation.

RUI XINGWEN ATTENDS SHANGHAI COLLEGE CEREMONY

OW100730 Beijing XINHUA Domestic Service in Chinese 1646 GMT 9 Sep 85

[Text] Shanghai, 9 Sep (XINHUA) -- The Ministry of Textile Industry approved the renaming of the Huadong College of Textile Engineering as China Textile University, and Comrade Hu Yaobang wrote the name for the university. Rui Xingwen, secretary of the Shanghai Municipal CPC Committee and He Zhengzhang, vice minister of textile industry, cut the ribbon at a ceremony for the use of the new school name this afternoon.

The Huadong College of Textile Engineering, established in 1951, was the first textile institute set up after the founding of New China. Over the past 30-odd years, the college has trained and graduated nearly 20,000 students, including more than 200 from 25 Asian, African, and European countries. Many of the graduates have become key personnel in teaching, scientific research, and production, and some of them are working in leading positions at various levels.

ZHEJIANG'S WANG FANG ADDRESSES EDUCATION MEETING

OW090849 Hangzhou ZHEJIANG RIBAO in Chinese 1 Sep 85 p 1

[Excerpts] A provincial educational work meeting closed in Mogan Shan on 31 August. Wang Fang, secretary of the provincial CPC Committee, addressed the closing ceremony. He stressed: "Party committees and governments at various levels must pay close attention to education." He said: "It is the responsibility of local party and government leaders to take charge of the educational tasks of that locality. Progress in the educational development of a locality should be an important criterion for evaluating the work of party and government leadership of the locality at any level, including provinces cities, prefectures, counties, and townships.

Wu Minda, deputy secretary of the provincial CPC Committee, presided over the closing ceremony. Wang Jiayang, chairman of the provincial CPPCC Committee, and Li Debao, vice governor, attended and spoke at the meeting.

In his speech, Comrade Wang Fang pointed out: The party Central Committee has attached great importance to education and regarded the training of skilled personnel as a key to the success or failure of socialist modernization. Party and government leaders at all levels should strive to live up to the expectations of the party and the people by exerting every effort to deal with this question, which is crucial to the success or failure of socialist modernization. It is necessary to pay sharp attention to this important question, which has a vital bearing on our country and people in the spirit of maintaining responsibility toward history, the country, and the people and demonstrating a high degree of understanding and awareness.

The provincial people's government presented a certificate for basically completing the primary education tasks to Zhoushu Prefecture, Shaoxing City, and 50 counties (cities and districts), including Linan and Zhenhai, and a certificate for basically eliminating illiteracy to 44 counties (cities and districts), including Haining, Deqing, Jinyun, and Shengsi, at the meeting yesterday.



GUANGDONG LEADERS ATTEND TEACHERS DAY RALLY

HK100852 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 9 Sep 85

[Excerpt] This morning, the Guangdong Provincial CPC Committee and the provincial people's government held a rally in the provincial government hall to fervently mark the first Teachers Day in our country. Some 1,500 representatives of advanced teachers attended the celebratory rally. Responsible persons of the party, government, and Army in Guangzhou, including Lin Ruo, Zhang Zhongxian, Ye Xuanping, Liang Lingguang, Xie Fei, Zhang Wannian, Yang Yingbin, Zheng Guoxiong, Zhong Ming, Huang Youmou, Luo Xiongcai, Wang Pingshan, Huang Qingqu, Zhang Juhui, Wang Yue, Guo Qiaoran, and (Li Chen); leaders of all departments concerned; and famous professors, experts, and scholars attended the celebratory rally.

HUBEI SECRETARY ADDRESSES TEACHERS MEETING

HK100506 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 9 Sep 85

[Excerpts] This morning, the province held a meeting at (Hongshan) Hall in Wuhan to celebrate the first Teachers Day. Over 1,000 teachers' representatives attended the meeting. Vice Governor Tian Ying presided over the meeting, and Guan Guangfu, secretary of the provincial CPC Committee, gave a speech.

In his speech, Guan Guangfu talked about the five requirements set by the provincial CPC Committee and government in regard to respecting teachers and attaching importance to schools:

1. Party committees and governments at all levels should take the work of respecting teachers and attaching importance to schools, the reform of the educational system, and the development of education as their strategic tasks.
2. We should try every possible means to increase investment in education and to make good use of present financial and material resources.
3. It is necessary to regard the work of respecting teachers and attaching importance to schools as an important component of socialist spiritual civilization and to enhance the social position of teachers.
4. We should strive to strengthen the work of training teachers in order to improve their quality.
5. We should do our best to solve the difficulties faced by teachers in their work and life.

HUBEI'S LEADERS PRAISE CADRE'S CONDUCT

HK080050 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 5 Sep 85

[Excerpts] This afternoon, provincial CPC Committee Secretary Guan Guangfu, provincial Governor Huang Zhizhen, provincial CPC Committee Deputy Secretary Qian Yunlu, and provincial Vice Governor Tian Ying cordially met at the General Office of the provincial CPC Committee with (Liu Xiandong), an outstanding party member and deputy director of the (Jiaodong) branch office of the Agriculture Bank of Hanchuan County who safeguarded state property with his blood.

The leading comrades of the provincial CPC Committee and government extended their regards to Comrade (Liu Xiandong), and highly praised him for his noble spirit of cherishing an ideal, observing discipline, upholding principles, and putting the interest of the party and people above all. They called on all party members and state cadres in the province to learn from Comrade (Liu Xiandong), to overcome individualism and selfish departmentalism, to correct the malpractice of seeking personal ends by taking advantage of one's power, to pay attention to the interest of the state and the overall interest, to cherish the great ideal, to honestly perform official duties, to march forward, and to make more contributions to reform and the four modernizations.

After listening to reports given by (Zheng Wanbing), deputy secretary of the Hanchuan County CPC Committee, and (Tang Yixin), deputy secretary of the Xiaogan Prefectural CPC Committee, on Comrade (Liu Xiandong's) heroic deeds, the leading comrades of the provincial CPC Committee and government delivered speeches. Comrade (Liu Xiandong) also delivered a speech amid warm applause. He thanked the leaders at all levels for their concern for him and said that he will work even harder to make due contributions to the four modernizations in the future. After the meeting, the leading comrades of the provincial CPC Committee and government warmly took Comrade (Liu Xiandong's) hands and told him to take care of himself.

(Liu Xiandong) had fought bare-handed with a knife-wielding thug who was attempting to rob the (Jiaodong) branch office of the Agricultural Bank of Hanchuan County.

#### HUNAN POPULATION GROWTH RATE CONTINUES TO FALL

HK091529 Changsha Hunan Provincial Service in Mandarin 2300 GMT 8 Sep 85

[Excerpt] The province's population growth rate has continuously dropped. The province's birthrate from January to June this year was 0.626 percent, a drop of 0.018 percent over the same period last year. The province's natural population growth rate for the period was 0.33 percent, a drop of 0.011 percent over the same period last year, and it continued to drop in July and August.

#### HUNAN CRIMINAL CASE CONCLUDED, SENTENCES GIVEN

OW090909 Beijing XINHUA Domestic Service in Chinese 0824 GMT 5 Sep 85

[By reporter Cao Guanghui]

[Text] Beijing, 5 Sep (XINHUA) -- With assistance from the Discipline Inspection Commission of the CPC Central Committee, and after an investigation that lasted over 1 year, the combined Hunan Provincial and Changde Prefectural Investigation Group has now heard a complete account of the case concerning some cadres who protected the criminal Duan Yuanlai, and even put him in an important position. The Hunan Provincial CPC Committee has decided -- and has requested the approval of the Central Discipline Inspection Commission on this matter -- to dismiss from office Liu Jiashi, former alternate member of the Hunan Provincial CPC Committee and secretary of the Changde Prefectural CPC Committee, for protecting Duan Yuanlai and putting him in an important position, and to give a disciplinary party warning to Zhang Wenguang, former adviser to the provincial people's government and former secretary of the Changde Prefectural CPC Committee. Of the 15 other people who helped Duan Yuanlai dispose of and hide stolen goods and who openly obstructed the investigation of Duan Yuanlai, as well as other people who committed crimes or serious mistakes in connection with Duan's case, 4 are serving prison terms (the 2 party members among them had been expelled from the party before they were sentenced), 2 others have been expelled from the party, and the rest have been punished with party or administrative disciplinary measures.

Duan Yuanlai used to be the director of the Changde cigarette plant and deputy secretary of the plant CPC Committee. During the "Cultural Revolution," he committed such crimes as premeditated murder, accepting bribes, rape, and hooliganism. He remained at large, however, and was not punished for a long time. The great quantity of evidence provided by the combined provincial and prefectural investigation group proved that the main cause of this serious case was that principal leading members of the several previous prefectural CPC committees had protected Duan for factionalist reasons.

During the early period of the "Cultural Revolution," Duan Yuanlai was found guilty of premeditated murder. Although he should have been sentenced according to the law, he was acquitted because of factionalist protection, and became a representative of the "correct faction" and a "hero." Later, Duan was repeatedly accused by other cadres and people of having raped several women and committed economic crimes. After ascertaining that Duan had raped many women and abused them with obscenities, the work group of the Changde Prefectural CPC Committee submitted, in December 1977, an oral and a written report to the prefectural CPC Committee, proposing that disciplinary measures be taken to punish Duan. When the written report was presented to Liu Jiashi, deputy secretary of the prefectural CPC Committee, who was then in charge of the committee's operation, he turned it down. In October 1980, Song Shuming, secretary of the Changde cigarette plant CPC Committee, reported Duan's case to the Central Discipline Inspection Commission. When this letter was referred to the prefectural CPC Committee, Liu Jiashi, instead of handling the case seriously, proposed that a work group be sent to the cigarette plant to settle the disputes between Song and Duan. Later, Song was transferred out of the cigarette plant, and Duan was never punished.

On many occasions, Zhang Wenguang, former secretary of the Changde Prefectural CPC Committee, accepted Duan's cigarettes and liquor. Even when Duan was being investigated, Zhang joined Duan for dinner and drinks. In late 1982, certain leading members of the Changde Prefectural CPC Committee and administrative office went so far as to agree to appraise Duan as a labor model and commend him for having rendered outstanding service. When Duan was under investigation, the administrative office also recommended a pay raise for him, and some cadres in the prefecture wrote articles praising Duan as "a contemporary enterprise reformer," and "a capable person with courage and insight," and attacking the investigation of Duan's case as "an investigation meant to destroy capable people." Because of such maneuvering, Duan, the notorious criminal who thrived during the "Cultural Revolution," suffered no punishment.

With assistance from the provincial CPC Committee and the Central Discipline Inspection Commission, the combined provincial and prefectural investigation group has now had a clear account of Duan's case. In December 1984, Duan was given a death sentence by the Changde Prefectural Intermediate People's Court. The Changde Prefectural CPC Committee has since been educating all party members in the prefecture on the need to heighten party spirit, using Duan's case as a negative example.



AIR FORCE COMMANDER, SICHUAN LEADERS ATTEND RALLY

HK100805 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 10 Sep 85

[Text] The Chengdu Military Region Air Force has resolutely implemented the strategic decisions of the CPC Central Committee and Central Military Commission, and made remarkable progress in Army structural reform, streamlining, and reorganization.

The Chengdu Military Region Air Force held a meeting yesterday to mark the anniversary of its founding. Fu Quanyou, commander of the Chengdu Military Region; Wan Haifeng, political commissar of the Chengdu Military Region; Yang Rudai, secretary of the provincial CPC Committee; Governor Jiang Minkuan; and leading comrades of the Chengdu City CPC Committee and government, the provincial Military District, the provincial Armed Police Corps, and the Chengdu CAAC Management Bureau attended the meeting to mark the occasion.

(Hou Xubin), commander of the Chengdu Military Region Air Force, presided over the meeting. Wang Hai, commander of the Air Force, read the order of the Central Military Commission and presented a silk banner to the meeting. Then he delivered a speech. He said: The Chengdu Military Region Air Force garrisons the southwest of the motherland, including Yunnan, Guizhou, Sichuan, and Xizang. It also shoulders the arduous task of resisting Vietnam from the skies. Therefore, the leading organs and all units should carry out their work and take part in Army streamlining and reorganization with a militant attitude and make contributions to safeguarding and building the great southwest. Our commanders and fighters should at all times follow the party's instructions, maintain political unity with the CPC Central Committee, adopt an overall point of view, practice unity, be modest and prudent, respect each other, carry forward the spirit of doing pioneering work through arduous efforts, and create outstanding achievements.

In his speech, Governor Jiang Minkuan said, it is our glorious tradition to respect, cherish, and support the People's Army. The work concerning Army reform, streamlining, and reorganization is the responsibility of the Army as well as the whole party and nation. We will go all out to do the things the Army needs and ensure the fulfillment of the Army's mission.

(Feng Yushan), political commissar of the Chengdu Military Region Air Force, also delivered a speech at the meeting. He said, the CPC committees of the higher level and local party and government leaders have given us enormous encouragement and placed great hope on us. We will certainly live up to the expectations of the party and people; earnestly implement the spirit of the enlarged meeting of the Central Military Commission; inspire more officers and men to become people with lofty ideals, moral integrity, education, and a sense of discipline; maintain a high degree of centralism within the Army; realize the strategic decisions of the CPC Central Committee; and make contributions to the defense and construction of the great southwest.

XIZANG LEADERS ATTEND MEMORIAL SERVICE

HK080217 Lhasa Xizang Regional Service in Mandarin 1130 GMT 7 Sep 85

[Excerpts] On the afternoon of 6 September, some 1,000 teachers, students, and staff of Xizang University, responsible comrades of the autonomous region, and figures from sectors concerned held a memorial service in the university hall to mourn Comrade (Yong Pi), member of the Standing Committee of the regional People's Congress and secretary of the CPC Committee of Xizang University, who died of illness on 4 September at the age of 62.

Present at the service were responsible comrades of the autonomous region and the CPPCC including Ngapoi Ngawang Jigme, Wu Jinghua, Redi, Duojeicaidan, Ba Sang, (Mao Rubai), Duojeicairang, Jiangcunluobu, Dan Zeng, Zhang Xiangming, Hou Jie, and Li Benshan.

HEILONGJIANG'S LI LIAN MARKS TEACHERS DAY

SK100545 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 9 Sep 85

[Excerpts] The provincial CPC Committee and the provincial people's government convened a rally to ceremoniously mark the first Teachers Day and to commend outstanding teachers.

Attending the rally were leading comrades from the provincial party and government organs, Harbin City party and government organs, Songhuajiang prefectural party and government organs, and from the provincial military district and the PLA units stationed in the province, including Li Lian, Chen Lei, Wang Zhao, Liu Chengguo, Zhou Wenhua, Wang Luming, Zhang Xiangling, Wang Yusheng, Wang Yaochen, Bai Jingfu, (Li Dehe), Li He, Huang Feng, (Huang Fei), Chen Yuanzhi, An Zhendong, He Shoulun, and Jing Bowen; retired veteran cadres, including Zhao Dezun and Chen Jianfei; and (Sun Xiang), head of the central lecturers' group in the province. Also attending the rally were responsible comrades from provincial-level departments, commissions, offices, and bureaus; the Harbin Railway Bureau; mass organizations, and 260 representatives of outstanding teachers throughout the province and of teachers from various schools in Harbin City, more than 2,200 persons in all.

JILIN S&T MEETING STUDIES REFORM GUIDELINES

SK080746 Changchun Jilin Provincial Service in Mandarin 1030 GMT 7 Sep 85

[Text] The provincial scientific and technological work conference ended today after a 4-day session.

The conference relayed the guidelines of the national scientific and technological work conference and the important speeches of the central leading comrades, studied the decision of the central authorities on reform of the scientific and technological structure, and studied and discussed the province's scientific and technological report and specific measures for implementing the central decision.

The participating comrades clarified their working direction and tasks and enhanced their confidence in making our province's scientific and technological structural reform successful.

Gao Di, secretary of the provincial CPC Committee, spoke at the conference. Vice Governor Liu Shulin gave a summation. He called on delegates to relay and implement the guidelines of this conference after they have returned to their own places, to further study the decision of the central authorities on reform of the scientific and technological structure, to unify the understanding of leading cadres at all levels, to realistically place scientific and technological work and reform of the scientific and technological structure on the agenda of the provincial CPC Committee and government, to firmly carry out the work, to devise specific measures for carrying out the various tasks related to scientific and technological structural reform at all levels, and to have less empty talk and to work more.

Comrade Liu Shulin emphatically pointed out: We should strengthen leadership, take advantage of the favorable conditions of the scientific and technological structural reform to strengthen (?cooperation among organizations), and raise our province's scientific and technological work to a new level.

Also attending today's meeting were leading comrades of the provincial Advisory Commission, the provincial People's Congress, and the provincial CPPCC Committee, including Zhao Xiu, Zhang Shiying, Liu Cikai, and Luo Yuejia. Guo Shuyan, vice minister of the State Science and Technology Commission, made a special trip from Beijing to give a report at the conference.

STATE COUNCIL COMFORT GROUP IN LIAONING

OW071143 Beijing XINHUA Domestic Service in Chinese 1727 GMT 5 Sep 85

[Excerpts] Shenyang, 5 Sep (XINHUA) -- Speaking at the cadres meeting in Tieling City, Liaoning, on the afternoon of 4 September, the leading comrades of the comfort group sent by the Central Committee and the State Council to Liaoning's flood disaster areas highly praised the tremendous achievements made by the party, government, military, and people in Liaoning in combating floods and performing emergency work. They also encouraged the masses of cadres and people in disaster areas to continue their hard efforts, help themselves by engaging in production, and rebuild their homeland.

The head of the group, Li Ruishan, alternate member of the Central Committee and economic adviser to the State Economic Commission, said: The flood disaster in Liaoning this time is very serious. Prolonged floods have damaged a huge area and caused very heavy economic losses. Some areas have experienced typhoons, rainstorms, hail, mountain floods, and landslides during the same period. Thanks to the good leadership of and appropriate measures taken by Liaoning Province, cities, counties, and PLA units stationed in Liaoning, tremendous victories were won in combating the floods and carrying out emergency work. This resulted in saving the long dike along the Liao He, Panjin City, the Liaohe oil field, the Liaohe chemical fertilizer plant, and many lives and large quantities of property. In this struggle, leading cadres at all levels demonstrated exemplary behavior by going to the disaster areas to work along with the masses. Party members took the lead in fighting floods and some of them sacrificed their precious lives. Commanders and fighters of the PLA units stationed in Liaoning made outstanding contributions to the people in combating floods and performing emergency work. Wherever there were emergency conditions and difficulties, there were the PLA commanders and fighters. They became the civilian people's principal backing. All of these guaranteed victory in combating floods and carrying out emergency work.

Zhang Bin, deputy head of the group and deputy director of the PLA General Logistics Department, said: While extending sympathy to the people of the disaster areas, I have heard of many moving and heroic deeds. Facts during this serious natural disaster proved once again that our government at all levels, our cadres, people, and Army are good ones.

Zhang Ming, deputy head of the group and vice minister of civil affairs, said: The masses of people have a vast reservoir of strength for building socialism and this strength is invincible. He said: At present, cadres at all levels must take good care of people facing difficulties -- in particular, widows, widowers, the sick and crippled -- helping them through the difficult times.



TWO TAIWAN KMT AGENTS SENTENCED IN BEIJING

HK100452 Beijing ZHONGGUO XINWEN SHE in Chinese 0221 GMT 10 Sep 85

[Text] Beijing, 10 Sep (ZHONGGUO XINWEN SHE) -- A spokesman for the Beijing Municipal State Security Bureau announced today that the bureau uncovered another case of Taiwan KMT special agents in March 1985. The two criminals, Chen Qiulong and Du Xiaming, were tried and sentenced recently by the Beijing Municipal Intermediate People's Court. According to the final judgment by the municipal Higher People's Court, Chen and Du have been respectively sentenced to 13 and 11 years' imprisonment for being special agents.

Chen Qiulong, 29, was originally a Beijing resident. He settled in Hong Kong in August 1981. Later he joined a special agents unit stationed in Hong Kong under the Taiwan "Defense Ministry Intelligence Bureau." He was trained as a special agent and received funds for special agent activities. Chen was sent to Beijing by the special agents unit on three occasions -- May 1983, January 1984, and February 1985 -- under the pretext of a "home visit." There he recruited Du Xiaming, who was also charged in the case. Chen taught Du Xiaming methods of secret contact such as invisible writing, how to develop such writing, and how to receive the broadcasts of special agents radio services. Du was also assigned the tasks of collecting information and recruiting for the special agents unit.

Du Xiaming, 29 was a chauffeur for a labor service company stationed at the Ministry of Light Industry before his arrest. In May 1983, when he was working at the Beijing Municipal Archives, he joined the special agents unit under the Taiwan "Defense Ministry Intelligence Bureau." Between July 1983 and July 1984, Du Xiaming provided the special agents unit information on three classified papers. In March 1985, he stole another two classified papers from the Ministry of Light Industry and delivered them to Chen Qiulong, who was in Beijing at that time. Chen photographed the documents and attempted to bring them to Hong Kong, but he was discovered and arrested by the Beijing Municipal State Security Bureau at the Beijing Airport. Chen and Du admitted their guilt in light of a large amount of evidence of their crimes.

PAI HSING'S LU KENG MEETS WANG RUOSHUI

HK051351 Hong Kong PAI HSING in Chinese No 103, 1 Sep 85 pp 18-21

[Article by Lu Keng: "A Meeting With Wang Ruoshui in Beijing"]

[Text] Introduction: This reporter said first to Hu Jiwei and then to Hu Yaobang: "Wang Ruoshui is an asset to your Communist Party." This "asset" was dismissed from his post as deputy editor in chief of RENMIN RIBAO because he aired views on humanism and the theory of alienation that differed from Hu Qiaomu's. However, he did not stop writing because of this setback; on the contrary, he has time and again published hot items in the quiet theoretical sphere in Beijing. It is no wonder people have nicknamed him Wang Ruohuo [huo means fire in]. [end introduction]

Some friends abroad were not happy when they read Wang Ruoshui's article entitled "On 'Revolutionary Humanism.'" They criticize Wang Ruoshui, saying that on the one hand, Wang points out that it is not necessary to modify humanism with "revolutionary" or "socialist," but on the other hand, he prettied up "revolution" and "socialism." They say that perfection should not be demanded of him; after all, he does not live in the free world!

First Impressions: A Man Under "an Unlucky Star in Literature"

Wang Ruoshui has a broad forehead and eyes filled with wisdom. At my very first sight of him, I knew that he was a scholar who concealed his strong character. There was a smile on his face, but between his eyebrows, I could see a faint hint of sadness. In the terms of astrologers, he "is under an unlucky star in literature."

On the evening of 11 May, Qin Chuan, the director of RENMIN RIBAO hosted a dinner for me at Huadu Hotel in Beijing, which was obviously intended to satisfy my demand to meet Wang Ruoshui. When I asked General Secretary Hu Yaobang whether I could meet Mr Wang Ruoshui, he answered without the least hesitation: "Yes, of course! Why not?" "You can even meet Wang Ruohuo!"

Therefore, the first thing that Mr Qin Chuan said when he met me was: "I will now introduce you to Wang Ruohuo." I warmly shook hands with Mr Wang Ruoshui, and we looked at each other.

The dinner was informal and the seven participants sat where they wished. I sat to the left of Hu Jiwei, the former director of RENMIN RIBAO and leading member of the Journalism Society of China. I pulled Wang Ruoshui to my side and had him sit at my left. To Wang's left was Wang Fuqing, who was a reporter along with me, dealing with KMT-CPC cooperation, when we were both in Nanjing. He is now an editor for ZHONGGUO XINWEN SHE. Further to the left were Qin Chuan; Tan Wenrui, deputy editor in chief of RENMIN RIBAO, and Wang Shigu, director of ZHONGGUO XINWEN SHE. We sat at the table and talked while we ate.

Trouble Caused by the Article in CHING PAO

I intentionally broached the topic of humanism and alienation and asked Wang Ruoshui: "Are you continuing your research into humanism and alienation?"

Wang answered: "I am continuing my research."

I continued: "What is your view on Mr Hu Qiaomu's relevant articles?"

Wang answered: "I have already written an article on this."

Hu Jiwei interrupted: "It has already been published by the Hong Kong journal CHING PAO."

I immediately told him that I was not well informed because I had been in the United States and did not read the article.

Wang Ruoshui immediately said: "CHING PAO said when it carried the article that it held the copyright and that no one was allowed to reprint or translate the article. I thought to myself: 'Who has given them the copyright? I have not given them the copyright.'"

These words evoked laughter from those present.

"Oh! So the article was published then without your knowledge, wasn't it?"

Wang Ruoshui looked regretful and said: "I do not know who gave them the article!"

Then Hu Jiwei said: "Mr Hsu Simin said that a reader sent the article to him in the mail."

"Where had you published the article?"

"I had not published the article. I wanted to publish it on the mainland, but because it was published in Hong Kong, it could not be published here."

"The fact," explained Mr Hu Jiwei for Wang Ruoshui, "is that we had already decided to publish the article in ZHEXUE YANJIU monthly. We had typed dozens of copies of the draft of the article to solicit opinions before we revised it. Somehow, one of the copies went to Mr Hsu Simin and he published it."

"Mr Hsu Simin is a friend of mine. Perhaps he published it thinking of press competition in order to be the first to report it. Has it caused you trouble?" I asked.

"Of course it has. Where did he get the article?" Wang Ruoshui slowly asked. It reminded me of the tone Zhou Puyuan used in the play "Thunderstorm," except that he was not talking about an "investigation."

Mr Hu Jiwei interrupted again: "Some people think that it was Wang himself...."

"Oh! They think that he gave it to them himself. I do not think so," I said, cutting Hu short.

Mr Wang Ruoshui got a little excited then. He said: "Why would I give it to them? I could have it published myself if it had not been given to them."

"Are they all against your views?"

"They are all against my views and this isolates me."



Mr Hu Jiwei then explained, saying: "For certain views, it is not necessary to decide immediately whether they are right or wrong through debates. We should allow them to be tested by time and proven by practice. Sometimes truth is in the hands of a minority of people and is not necessarily in the hands of the majority. Why should we immediately come to a conclusion through debates?"

I found that at least Mr Hu Jiwei sympathized with Mr Wang Ruoshui, although according to Wang, Hu was also against Wang's views.

#### It Is Necessary To Realize the Modernization of Man

I asked Wang whether he had changed his views on humanism and alienation after he had faced such problems and considered the issue for a time. He said that his views remained the same as they had been before. He said: "I still believe that humanism should be linked to reform. This means that we should deal with the question of how we are to realize the modernization of man. The most important problem in our reform is the problem related to personnel, a problem which has also been mentioned by Premier Zhao."

"His Excellency Mr Deng summarized the situation on the Chinese mainland in 1978 in the following way: 'Bad, old practices are difficult to overcome, and talented people are not easy to come by.' This shows that he also regards the problem of personnel as the most important issue" I said.

"The bad, old practices that are difficult to overcome also put pressure on talented people," said Wang Ruoshui. "It is an urgent task now to free people's talents. There was an article in yesterday's newspaper which I didn't have enough time to read. The title of the article was: The Modernization of Man."

"Which newspaper?" I asked.

My Tan Wenrui answered: "It was our newspaper, RENMIN RIBAO."

Mr Wang Ruoshui then said: "Many middle-aged and young people are now probing this issue. Our philosophy should also be reformed; otherwise, it will not be able to meet the demands of the reform in the country."

I expressed the view that the situation in China at that time was that people have already begun to pursue a Chinese style in economic construction and even social life, and are striving to imbue these with Chinese characteristics, but in the field of ideology, they have not yet been freed from the influence of conventional Soviet ideas. For example, Mr Hu Yaobang's "Speech on the Party's Journalism Work" follows a precise Soviet pattern and Soviet style.

Wang Ruoshui could not help laughing.

I said: "We overseas friends always hope that the Chinese mainland will be able to free itself from the shadow of the Soviet Union. His Excellency Mr Deng upholds the construction of socialism with Chinese characteristics and stresses Chinese style. This is the only way out for China."

Mr Gin Chuan said: "Concerning the Soviet pattern, there have already been great changes."

Mr Tan Wenrui said: "We first learned everything from the Soviet Union, including the layout of our newspapers."

## Serious Harm in Learning From the Soviet Union

This evoked Mr Hu Jiwei's memories of the past. He said: "After liberation, I took a journalists' delegation to visit the Soviet Union. We visited PRAVDA, and when I returned home, I wrote an article on learning from PRAVDA.

"Later, Comrade Deng Tuo led a Chinese journalists delegation to visit the Soviet Union. I visited the Soviet Union for a second time and we all continued to stress learning from our elder brother. However, there was a change in 1956. On 1 July 1956, the layout of RENMIN RIBAO was changed. What vexed Deng Tuo the most was that at that time there was an editorial of the same length and in the most conspicuous position every day. He was always against this practice. He said: First, we do not have so many important things to say every day; second, it is not necessary to publish all our views through editorials; and third, we don't have to deal with all problems and articles the same way, because the importance of these problems and the quality of the writing of the articles varies in many ways. This is a dogmatic practice."

I then said: "People abroad hold the view that the 'leftist poison' on the Chinese mainland originates from learning from the Soviet Union. Let me give an example: The leaders of the CPC have to line up in a set order no matter what when they attend meetings, meet people, have photographs taken, or even meet people at an airport. For example, when Hu Yaobang returned to Beijing from a visit abroad, other leaders went to the airport to meet him. Zhao Ziyang stood at the head of the line, Wan Li was next to him, Xi Zhongxun was next to Wan Li, and so on. In short, they have to line up according to their seniority and shake hands in such an order without the least deviation. My God! What is the meaning of this? I think that surely they all feel odd about doing that."

At my words, the other six present at the dinner could not help laughing loudly. Even the waiter who was serving us laughed. Wang Ruoshui said humorously: "When I came in a moment ago, I went to Qin Chuan." This was followed by another round of laughter.

"All people are equal in personality! True, their posts differ and it is necessary to pay attention to order under certain circumstances, but there is no need for such rigidity," I said. "Clearly, this has been learned from the Soviet Union."

Wang Ruoshui once more showed the humor of a philosopher and said: "We have even learned how to arrange name lists!"

## Breakthroughs Have Been Made by RENMIN RIBAO

Hu Jiwei said: "A comparison between RENMIN RIBAO and PRAVDA shows that RENMIN RIBAO has made great breakthroughs in this sphere."

Zin Chuan said: "At first there was only one news agency in China, just as there is only TASS in the Soviet Union. Now we have ZHONGGUO XINWEN SHE in addition to XINHUA."

"This is a good phenomenon. If there is only one agency, there is no competition. Now some of the items published by ZHONGGUO XINWEN SHE are more lively than those by XINHUA." I asked Qin Chuan: "Director Qin Chuan, what is your opinion?"

Qin Chuan said: "I agree with you."

Wang Ruoshui added: "The more rigid the centralized control, the more difficult it is to do our work well. This is also true for our literature, art, and opera. Local areas have developed many good operas, but few good operas have been developed in Beijing."

I asked Wang: "What is your view on General Secretary Hu Yaobang's 'Speech on the Party's Journalism Work'?"

He was not willing to answer the question directly and he only said: "People have aired their views on this."

Tan Wenrui and Qin Chuan jointly said: "We have all aired our opinions on it almost without any reserve."

Hu Jiwei said: "Comrade Hu Yaobang is able to accept criticism. (Wang Ruoshui interrupted: 'He is not bad!' I interjected: 'He is very open-minded.') It would perhaps have been better if publication of that speech had been delayed."

I said: "In fact, there was no need to publish it. Circulating it inside your party would have been as good." Then they vied with one another to speak and thus gave an inside story that was not totally an inside story:

People inside the CPC differ in their opinions on this speech. Although they all agree that the party's newspapers had to submit to some restrictions, it was necessary to study some problems. Therefore, some people hold that the speech had to be published, but others felt it did not. Still others held that the speech should have been published only in HONGQI. Later it was thought that if the speech had been published only in HONGQI and not in RENMIN RIBAO, people abroad would speculate on this. Therefore, the speech was finally also published in RENMIN RIBAO.

When I heard what they said, I said half jokingly: "It was difficult, wasn't it! It was difficult indeed!" Unexpectedly, Wang Ruoshui laughed heartily at my words.

Owing to Lessons Learned From the Cultural Revolution, the Practice of Blind Obedience Has Been Reduced

When I said that if Hu Qiaomu and Deng Liqun continued to be in charge of the CPC's ideological work, it would be hard for people to be optimistic, Qin Chuan and Tan Wenrui both retorted that this was not an issue that could be determined by one or two people. On the other hand, they said something to the effect that a democratic and lively situation had already emerged inside the CPC and that during the discussions about the formulation of the "PRC journalism law" there were very fierce debates. I knew that they said this to me to show me that there was already democracy inside the CPC. Qin Chuan said emphatically: "RENMIN RIBAO obeys the instructions of the CPC Central Committee rather than those from a certain individual." Hu Jiwei went further and cited incidents in eliminating spiritual pollution to prove this view. He said that RENMIN RIBAO did not speak with only one voice. Wang Ruoshui also said that the various newspapers acted in very different ways in publishing things related to the elimination of spiritual pollution. Some published lots about it, but others published little about it. Wang Shigu said that he had told the editorial department of ZHONGGUO XINWEN SHE that items about the elimination of spiritual pollution should be published as little as possible to the outside world. Obviously they wanted to give me an impression that through the lessons learned from the "Great Cultural Revolution," many people have already acquired the ability to make distinctions between right and wrong, and that they do not obey orders blindly as they did in the past when they implemented Mao Zedong's highest directives no matter whether they understood or did not understand these directives.

Perfect Silence When Democratic Movement Was Asked About



I asked Wang Ruoshui what his views were on the democratic movement. He said: "I do not like the practice of merely swearing at people. Is there anything justifiable in the abuse that a shrew shouts in the street?" He gave the example that some journals which have tried to make people believe that they are democratic journals, actually give an entirely false picture of the situation on the mainland entirely at will. For example, they regard Qin Chuan as a conservative without even the slightest grounds. Then Hu Jiwei told me that as far back as in the mid-1950's when Qin Chuan was director of the Propaganda Bureau of the Propaganda Department of the CPC Central Committee, he opposed the practice of shouting slogans about long lives. Later he was branded as a rightist deviationist and sent to a farm to be reformed through labor for many years.

From the atmosphere that evening as we talked with one another, I found that Beijing was relatively sensitive to the problems related to the democratic movement, such as the problems of Wei Jingsheng and Wang Xizhe. This was further proven by the fact that when Deng Xiaoping met the participants in the seminar on Taiwan's future last June, he became upset when he heard Wei Jingsheng's name mentioned.

As to the question about the orientation of China's development, Wang Ruoshui resolutely and decisively said: "I support the reform and also the resolutions of the two third plenary sessions (meaning the 3d Plenary Sessions of the 11th and 12th CPC Central Committees). He also defended himself, saying: "Some people criticize me and say that I do not hold the same views as the CPC Central Committee, but in fact I do. I raise both my hands in favor of everything, including modernization, high degree of democracy, and the building of the two types of civilization. As for some problems related to party work style and the general mood of our society, perhaps they should be solved by relying on democracy and the legal system."

I questioned him closely, saying: "Is there any sharp conflict between different views on theoretical problems on the ideological front?"

"You have just said that when the theories of the minority emerge, there are no articles about the theories in our newspapers."

"Is this because people do not dare to mention those theories? Or is there another reason?"

#### Socialism Is Still Under Experimentation

After Wang Ruoshui said that he was not sure, Hu Jiwei answered my question: "We are still probing the question of what socialism is and testing our views through practice. China has been carrying out its rural reform for 5 years and has scored achievements, but there have been a large number of different views about the reform, and even the top leaders of our party hold different views on it. Is the orientation of the reform that we have been carrying out capitalist or socialist? There are debates about this question. In our opinion, what we are practicing in our country is not capitalism, but is socialism with Chinese characteristics, because a socialist economy continues to be the leading factor. However, as to the question of how we should change our super-structure, which is linked with our economic base, in line with the change in our economic structure, of course there are different views."

Qin Chuan said: "Recently, Comrade Hu Yaobang gave an important speech on the situation in our country. He pointed out that as the situation has changed, the dictatorship function of the state has also changed. Now the function of dictatorship is no longer the function of suppressing the enemy classes as in the past, but is first to protect the people's various rights and ensure the security of their lives and property."

Wang Shigu interrupted: "Didn't Comrade Yaobang tell you yesterday? (I said yes!) he wanted to make four points, but made only one because you interrupted him." (What a pity!)

Wang Ruoshui then said: "There is also the idea of 'one country, two systems' which includes many economic factors. The first article that I published this year was carried in the February issue of XIN GUANCHANG. I gave an example in that article. Comrade Xiaoping said: 'A cat, white or black, that can catch mice is a good cat.' In the past we regarded capitalism as a mouse and as incompatible with socialism, which we regarded as a cat. Our understanding of this question now is that we regard private enterprises and enterprises run on foreign capital as cats. All these cats are to jointly catch the mouse! What is the mouse? It is poverty and backwardness."

"That is indeed a new idea!" I said. "There is a view in Hong Kong that 'one country, two systems' may cause problems for you. The fact that you allow capitalism to continue to develop in Hong Kong at least shows that it can still yield economic results. Moreover, to be objective, it has created material wealth quicker than socialism. Will this make people in the mainland think that people in the special administrative region are provided better conditions because they can develop capitalism freely, while the people in the mainland, on the other hand, have their hands tied? Will such a situation emerge?"

They unanimously said: "No, it will not." Their reasoning is that many people have gone to Hong Kong, but there have also been many people who have come to the mainland. I was not convinced by this. Mr Hu Jiwei gave a further explanation: "At first sight, the level of development on the mainland is relatively low, but our aim is to prevent a great disparity between rich and poor. We encourage some people to become rich earlier than others, but this is aimed at bringing along the poor and enabling them to become members of a community of common prosperity. This common prosperity will enable us to avoid the polarization of capitalist society. Of course, the polarization now is not the polarization that Marx foresaw in his day. As a matter of fact, the polarization is fairly serious. For example, in Hong Kong, a person could find himself in a very difficult predicament if he becomes unemployed. Our country hopes to avoid the emergence of too great a disparity through the socialist path and enable people to become rich together. According to our way of thinking, we want to prevent exploitation and oppression. This is our ideal. We have to admit that we have exerted our efforts for several decades, but have failed to entirely realize this ideal. However, we continue to think that this ideal is good and will continue our experimentation with it. For example, in Hong Kong there are criminal syndicates, but it is impossible for them to exist on the mainland. For another example, there are prostitutes and pornography in Hong Kong. This is not allowed on the mainland. However, this does not mean that all the people in Hong Kong are willing to allow these phenomena to continue. Our mistakes in the past were that we thought that all people in Hong Kong and abroad were fond of literature of terror and pornography. In fact, this is not the case for honest people. Because of our system, our attitude is more resolute in eliminating criminal and pornographic things. However, many people abroad also do not like these things. For example, Hong Kong has recently been adopting methods to deal with pornography. (Tan Wenrui interrupted: 'Taiwan is also taking action against criminal syndicates.') This shows that we have something in common."

#### He Is Still Able To Adhere to His Views

At the dinner that evening, I felt comforted to learn that Mr Wang Ruoshui was still able to adhere to his views. He did not surrender as soon as he was criticized, nor did he swear at himself as soon as he surrendered, nor did other people avoid his company like the plague. On the contrary, people like Hu Jiwei and Qin Chuan were still kind to him and showed some human sympathy.

However, the pressure on Wang Ruoshui was obviously heavy.

I told him: "I think that you are under a heavy burden." He did not deny this, but asked me: "How do you know that? From my expression?" I said: "Not only by your expression, but also from the manner of your speech." At that time, he said frankly: "What they did in Hong Kong has brought disaster to me and put me in an awkward position." I said: "That is not your fault!" He only signed quietly and seemed unwilling to talk about it anymore. Then I changed the subject and asked him where he learned philosophy, whether Jin Yuelin was his teacher, and how he came to be employed by RENMIN RIBAO. I learned that Wang Ruoshui had studied in the Philosophy Department of Beijing University in the late 1940's under Professor Jin Yuelin. Before the CPC set up the PRC, he arrived in the "liberated area." After the PRC was founded, he returned to Beijing, was employed by the Beijing Municipal CPC Committee, and worked under the leadership of Deng Tuo. Later, Deng Tuo was transferred to the post of editor in chief of RENMIN RIBAO and he then brought Wang to RENMIN RIBAO. Wang worked in the theoretical department.

#### Mao Praised "the Philosophy of a Table"

"Hu Jiwei explained to me: "It was the old man (meaning Mao Zedong) who discovered him (meaning Wang Ruoshui)! At that time, Wang wrote an article entitled "The Philosophy of a Table," in which he asked the question: Which came first, the concept of a table or the actual table? The actual table did not emerge before the concept of it emerged. On the contrary, there was first the concept of a table and then the table was made in accordance with the concept. The old man praised this idea and thought that it showed sound judgment."

Wang Ruoshui added: "That was in 1964. I said in my article that tables are made by men and when a carpenter made the first table, he must have had the concept of table before he could start making it. In other words, consciousness must come before existence. Take communism for example: There was first the ideal of communism and then the communist campaign."

I asked: "Will this be regarded as dualism and be criticized?"

"At that time I was praised." (We all laughed!)

"Was it in 1980?"

"I wrote about humanism in 1920."

"When we marked the 100th anniversary of Marx death in 1983, I joined Comrade Zhou Yang in writing an article about humanism as viewed by Marxism. The article was written and published, but was later criticized. Comrade Qin Chuan and I were held responsible. He was held heavily responsible, but I was held mainly responsible."

"Under these circumstances, it was not easy for Zhongnanhai to let Mr Qin Chuan be editor in chief, was it?"

Hu Jiwei said: "This shows that it is natural for people in our ranks to differ in their opinions in many ways."

"The problem is which opinion prevails; in other words, which opinion has the upper hand."



"It is hard to say which opinion prevails, but sometimes one opinion gains the upper hand and sometimes the other does."

I asked: "Has there been any change in your remuneration since you were dismissed from your post as deputy editor in chief?" He answered: "No, there has not. However, there was no increase in my salary when I was promoted to that post, nor decrease when I was dismissed."

It seems to me that Wang is now in the state of "being laid idle" according to the CPC's way of putting it.

Wang "Bombarded" Mao

In fact, this was not the only blow that he has suffered. In an article entitled "The Agony of Wisdom," which was carried in the February 1985 issue of Wuhan City's CHENGSHI LUNTAN [MUNICIPAL FORUM], he told of the following farce during the Cultural Revolution.

He says: "After the Lin Biao incident, the management of RENMIN RIBAO was entrusted to Premier Zhou, and I began to take part in the work of checking and approving the printing plates of the newspaper. In 1972, Premier Zhou initiated criticism against 'ultraleftist' ideological trends, and this made me very happy. But a few days later, Zhang (Chunqiao) and Yao (Wenyuan) spoke to the responsible people of RENMIN RIBAO and said something to the contrary. As a result, we were faced with the question of whose instructions we had to follow. Therefore, I took advantage of Zhang's and Yao's absence in Beijing and edited and published articles to criticize 'ultraleftism.' These articles occupied a whole page of the newspaper. This upset Zhang Chunqiao and Yao Wenyuan and gave them a chance to seize upon my mistakes. I decided to carry it through whatever the consequences, and wrote to Chairman Mao against Zhang and Yao. I did not expect that it was Chairman Mao himself who was not for criticizing 'ultraleftism.' Then 'blows came at me. What bad luck!'"

This reporter heard someone say that Mao wrote the following words about Wang's report against Zhang and Yao: "The philosophy of a table is not brilliant either!" He thus negated what he had said in praise of Wang when his sore spot was touched. At the end of the dinner, I told the six people present about an incident in New York:

When Mr Zhou Erfu visited New York last year, some friends in cultural circles in New York held a banquet in his honor. At the banquet, Zhou said lots about the mainland's thorough negation of the Great Cultural Revolution. I immediately expressed the view that in order to thoroughly negate the Great Cultural Revolution, a thorough negation of Mao Zedong was indispensable. The master of ceremonies at the banquet became very nervous and thought that what I had said would embarrass Zhou Erfu. I said that there was nothing to worry about. During his visit to the United States, Zhou Erfu was invited to many banquets. Would he remember all these banquets after he returned to China? He would only remember that banquet, because he heard at the banquet the voice who suggested thoroughly negating Mao Zedong. I asked Zhou whether I was right in saying this. Zhou replied: "Yes!" Of course, taking the stand of the CPC, he also said something in defense of Mao.

When Mr Hu Jiwei heard what I said against Mao, Hu said something similar to what Zhou had said, stressing that judging Mao's life as a whole, his merits outweighed his mistakes and he only committed mistakes in his later years. "We should not negate him in totality."

The final thing I said at the dinner was: "No matter how the CPC tries every means to preserve Mao's image, there will certainly be one day when history will thoroughly negate Mao Zedong." Then I shook hands with Wang Ruoshui and said goodbye to him and to the others. I hope that they will all take good care of themselves!

CHENG MING ON STORMS PRIOR TO PARTY CONFERENCE

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["Notes on a Northern Journey" by Lo Ping: "Storms on the Eve of the Party Delegates' Conference"]

[Text] [Abstract] The Hainan incident is a morass of complications involving not only contradictions within the ranks of reformists but also contradictions between reformists and nonreformists. But the Hainan incident or the Shenzhen problem will have no impact on the September party conference. The great reshuffle from the central to the provincial and the military region level has fundamentally been completed. A number of new political stars will soon move into Zhongnanhai. [end abstract]

"Chen Yun celebrated his birthday. Did you know?"

"Who said that?"

"That's what I heard."

I did not believe that Chen Yun, a keen advocate of party spirit and a man of principle, had openly celebrated his birthday. Therefore, I visited friends who had direct contacts with Chen Yun to find things out. After hearing what I said, a friend of mine broke into laughter. "Chen Yun did (celebrate his birthday) but not in an open way. It was his family members that celebrated his birthday. It was learned that a peach-shaped birthday cake was specially made to keep the oldster happy. But this was a family affair, all very normal and natural. It is also something permitted by the party. There is nothing strange about it."

"An Anti-Restoration Declaration"

Chen Yun's birthday fell on 11th day of the 5th moon according to the lunar calendar, or 28 June according to the solar calendar. The second day after his birthday, he wrote a speech for the national party work conference on exchanging experiences in rectifying the party's work style held by the Discipline Inspection Commission of the CPC Central Committee. The speech published in the 1 July issue of RENMIN RIBAO caught the attention of cadres throughout the country. Some people held that this was an "anti-restoration declaration." Why were things put this way? "Chen Yun's speech puts unusual emphasis on upholding socialism. He said that economic construction now being undertaken by our country is socialist economic construction. The economic reform is also a socialist economic reform. He underlined for emphasis the word 'socialist' mentioned twice. This was obviously done with an eye to certain people 'pulling the cart without bearing their heads' in a likely departure from the socialist direction." It was believed that economic reforms in certain areas, or certain links and measures in economic reform work had raised Chen Yun's concern. Especially certain practices in special economic zones, the 'most special' economic zone of Shenzhen in particular, had possibly been the cause of some worries on his part. It was at this time that I received a letter from the editorial department."

Did Chen Yun Visit Shenzhen?

"...A story made the rounds in Hong Kong that Chen Yun had visited Shenzhen. Before his departure, he had written four big Chinese characters: 'Recover our lost territories.' We do not quite credit this story. Please check on the facts."

I also did not believe that Chen Yun had made such a move. Shenzhen has many sons and daughters of top-ranking cadres. Sons and daughters of Zhao Ziyang, Wan Li, and so forth are all in Shenzhen. Their contacts cover a very wide field. Therefore, I called my friends in Shenzhen long distance.

"Did venerable Mr Chen with his important 1 July speech visit Shenzhen?"

"I know that he was in Hangzhou recuperating some time ago. It seems that he has recently returned to Beijing. I do not know whether or not he has been to Shenzhen."

"Did he visit Shenzhen after all?"

"Absolutely no. Absolutely no. But some people connected with venerable Mr Chen visited Shenzhen."

Two "absolutely no's" took care of the rumor about Chen Yun. It is therefore unnecessary for me to take up again the matter of "recovering our lost territories." Whether Chen Yun's "advisers" who visited Shenzhen, had talked about "recovering our lost territories" is an unknown quantity.

#### "Moderate Reformists"

Chen Yun's "visit to Shenzhen," though not a fact, reflects people's views of Chen Yun. In the past few years, people have not put Chen Yun in the category of reformist as if Chen absolutely opposed reform. A cadre friend of mine in Beijing said to me: If a line of distinction is to be drawn where "groups" are concerned, then the most accurate description of Chen Yun is "a reformist representing the small birdcage." This is because what is being promoted by Deng, Hu and Zhao is "a large birdcage reform." Whether in scope or depth, a large birdcage reform is relatively big. Chen Yun for his part disagrees with such a scope or depth. From the standpoint of the pace of reform, we can say that Deng, Hu and Zhao are radical reformists, while Chen Yun represents the moderate reformists. Chen Yun disagrees with the promotion of a "great leap forward" in reform and is not keen on seeking instant success. Therefore, Chen Yun sets great store by readjustment -- readjustment is given more importance than reform. "Then is Chen Yun relatively surefooted?" asked a friend. Some people see things exactly this way.

#### The Complaints of Beijing Residents

At present, Beijing residents generally favor reform. But they object to concrete measures about certain reforms. For example, the recent big rise in commodity prices has been the cause of people's complaints about the reform of the pricing structure. Under these circumstances, many people think of Chen Yun's surefooted and moderate approach. In other words, Chen Yun's stock has recently risen among people.

#### A Veteran Champion of Marxism Comes Out in His True Colors

Because of this, some people, who have thought that they have Chen Yun behind them and thus disagree with the reform, feel as if they have found spiritual support and become more active. This is why Deng Liqun, since his dismissal as director of the Propaganda Department of the CPC Central Committee, has still often appeared on the scene, while Hu Qiaomu has especially run wild uttering "nonsense."

Recently, Hu Qiaomu's talk on the special zone and the leased territory has aroused strong reaction. People have said that Hu Qiaomu is casting himself in the role of an orthodox proletarian revolutionary and a bona fide Marxist.



But his recent remarks in Beijing have suddenly exposed his true colors. Recalling Zhang Wentian who put forth views to Mao Zedong at the same time Peng Dehuai did during the "Great Leap Forward," Hu Qiaomu said: "From June to August 1959, when the Lushan meeting was in session, I lived relatively far away from Comrade Wentian's residence and had not much contact with him. But it happened that my residence lay somewhere between where Comrade Wentian lived and where the large and small meeting places were. So he dropped in on me several times. With our relatively identical viewpoints on the domestic situation, we all favored conscientiously summing up the experiences and lessons of the 'Great Leap Forward,' so as to thoroughly correct the mistakes of 'leftism'. He made a speech in a group discussion, which was an earnest, thoughtful, and objective analysis and criticism of the mistakes of 'leftism.' Before he made the speech, I had already had a premonition that a storm would come. So I phoned him advising him to speak less. But he still said what he wanted to say. As a result, he was severely criticized for his mistakes and accused of being involved with a 'military club.'" In fact, he was not particularly close to Comrade Peng Dehuai. It just happened that they echoed the same viewpoint on the situation of the 'Great Leap Forward.'"

With these words Hu Qiaomu wanted to portray himself as a revolutionary hero opposing the "Great Leap Forward" and opposing the mistakes of "leftism."

But one of his lines gave him away. It was that Hu Qiaomu had "phoned him advising him to speak less."

It meant that he wanted Zhang Wentian to treasure his own life, swim with the current, and not present critical views to Mao Zedong in the interests of the state and the nation. From this, we can see that the "mu" as the Chinese equivalent of wood in his name "Hu Qiaomu" stands not for wood but only grass.

#### Focus on Readjustment or on Reform

People of this kind are very likely to lapse into trend followers. They are also very likely to turn at so much as a hint from those behind them into something of a rain-storm. For example, the meaning of a line from Chen Yun, "readjustment for as long as 100 years," can be so stretched as to be used as ammunition in opposing reform and the policy of opening up.

In fact, the statement about readjustment for as long as 100 years is not necessarily wrong. Current involvement with reform is not negation of readjustment. It calls for reform hand in hand with readjustment. The problem is whether reform is put first with readjustment later, or whether readjustment is put first with reform later. Chen Yun's views left people with the impression that he puts readjustment first and reform second. Therefore, he is considered at odds with the policy of Deng, Hu and Zhao who put reform first and readjustment second.

A case that points to the need for readjustment is a matter of quite frequent debate among Beijing people recently -- the project for a conference building (perhaps better called a parliamentary building of sorts). This project reflects the evil consequences of high officials' obsession with the theory of willpower, which caused a waste of money and labor.

#### A Project Being A Wasteful Boondoggle

The project lying west of the Great Hall of the People occupies an area of about 200,000 square meters, larger than the 170,00-square-meter Great Hall. This gigantic project calls for an estimated investment of 500 million yuan, "with no upper and lower limits."

Many people doubt the need for this building. But it was said that a leader wanted to see this project completed at all costs just to have his own name remembered by his descendants forever.

#### Zhao Ziyang Ordered a "Suspension"

Because of his project, the residents here had to remove a former Kuomintang government building of historical significance and dig underground, spending 20 million yuan. Only not long ago was it found that there was not enough money to keep the project going. Therefore, Zhao Ziyang personally ordered the "suspension" of this project. Big pits already excavated with their pools of water from rain might have to be filled, because of the effect on the foundations of the Great Hall of the People. Thus, 20 million yuan went down the drain.

The involvement with this project has provided a good illustration of big officials' "theory of willpower." Regardless of economic laws and the ability to provide the needed resources, they have acted subjectively. Therefore, China's economic construction calls for continuous readjustment. Only in this way can we avoid the evil consequences created by the "theory of willpower."

Some people hold that capitalism has a history of development for about 200 years to date, with continuous readjustment in between. So Chen Yun's statement about so long a period of readjustment for China is nothing strange.

#### A Major Event Causing a Nationwide Shock

The building project is only a minor incident. It is nothing compared with the Hainan automobile incident. Overseas readers may think that the Hainan incident is only a local matter. But if you look at it from another viewpoint, you will feel otherwise. Instead, you will view it as a case with nationwide repercussions. It has a greater shock effect than the shock created by what Deng Xiaoping said about Shenzhen.

On 1 August, a XINHUA report was published about an investigation into the case of Hainan reselling automobiles for profit. According to a fact-finding report by a joint investigation group formed by the Central Discipline Inspection Commission, the Auditing Administration, the State Economic Commission, the Guangdong Provincial CPC Committee, the provincial government, and other units, from 1984 to March this year, some principal leading cadres of the Hainan CPC Committee and the district government (including Lei Yu, Yao Wenxu and Chen Yuyi) approved the import of more than 89,000 cars, with over 79,000 of them already delivered. In addition, there were imported large numbers of television sets, videotape recorders and motorcycles. All these were resold for profit. The Chinese Communists view this as "a major event since our country's introduction of the policy of opening up." It was reported that the Guangdong Provincial CPC Committee had decided to subject Lei Yu, chiefly responsible for this incident, to the punishment of being relieved of his duties as a member of the Guangdong Provincial CPC Committee, deputy secretary of the Hainan District CPC Committee and secretary of the party group of the Hainan Administrative District People's Government. It was also suggested that the administration relieve him of duties as a chief responsible person of the Hainan Administrative District People's Government and that a serious warning be given to Yao Wenxu and Chen Yuyi. At the same time, it was proposed that the administration relieve Chen Yuyi of his duties as a responsible person of the Hainan Administrative District People's Government and as director of the committee of foreign economic relations and trade of the Hainan Administrative District and assign some other work to him.

The Central Discipline Inspection Commission had agreed to this decision about punishment. Apart from reporting this news, XINHUA also released the fact-finding report (excerpts) by the joint investigation group formed by the Central Discipline Inspection Commission and other units.

#### Cadres in All Parts of the Country Sympathize With Lei Yu

The news item and the fact-finding report occupied a great part of the most important space in all party newspapers on 1 August. This day and the day after, I heard people, especially cadres, in Beijing everywhere discussing the Hainan case of dismissing officials. Only later did I know that at this time everywhere from Urumqi in the northwest to Harbin in the northeast, and from Chongqing and Chengdu in the southwest to Shanghai, Fuzhou and Xiamen in the southeast, the Hainan case of dismissing officials had been a hot topic of talk among multitudes of people. The views that I heard those days from ordinary people and cadres were fundamentally sympathetic toward Lei Yu. It was felt that the top Chinese Communists had not properly handled the Hainan automobile incident.

#### Had the Fortune of Meeting With a Well-Informed Guest From the South

A letter from the editorial department of CHENG MING asked me to go a step further in Beijing in covering the Hainan automobile incident and the case of dismissing officials. If the editorial department had not already arranged a special visit to the Hainan Island by a contributing reporter, I would have immediately taken a special trip to this second largest island of China to get firsthand data. But after several days of running around in Beijing, I luckily came by firsthand data that I perhaps could not have obtained on Hainan Island. The data was provided by a guest from the south connected with the Hainan incident investigation group, who was recommended to me by a friend. Now let me relate here the conversation I had with this well-formed gentleman as a purely objective report.

#### The Investigation Group Suspects Lei Yu of Corruption

Question: What was the aim of the investigation group's work in Hainan?

Answer: Concerning the investigation group's tasks, documents and verbal reports, everything was made clear to the higher levels. At first, some people thought that Lei Yu and others who displayed such enthusiasm in Hainan's importing automobiles and sending them off the island might have benefited, thereby abusing their authority and practicing corruption. Therefore, the preliminary investigation was also based on such an idea. But after a period of further looking into and investigating things, it was proved that Lei Yu and others were in the clear. They did not get so much as a cent through corruption. The preliminary investigation did not turn up anything. Only in the second investigation was it found that Lei Yu and others should take part of the responsibility in the case of reselling automobiles for profit and that some lower-level cadres were guilty of corruptive practices.

Lei Yu's home is not in Hainan but in Guangzhou. The several times that he went to Hong Kong, he did not bring back valuable items as gifts, as many other cadres do. Yao Wenxu and Chen Yuyi's homes are in Hainan and are furnished in an ordinary way and cannot compare with those of the wealthy households.

Question: Many cadres in Beijing consider that though guilty of some mistakes, Lei Yu has erred in his effort to build up Hainan. Deng Xiaoping calls for Hainan to catch up with Taiwan in 20 years, but he has imposed the policy without providing needed funds.



Where do Hainan's construction funds come? Since Lei Yu is not guilty of abusing authority to serve private ends, he deserves our sympathy. What do Hainan residents, including Hainan cadres, think of Lei Yu?

#### Hainan Residents Say That Lei Yu Should Be Provided For

Answer: Ordinary people, including cadres, are in sympathy with Lei Yu. They think that Lei Yu has not been long in Hainan but has brought about marked progress in Hainan's construction effort. In this respect, Lei Yu has performed a great deed of merit. People therefore have a very good impression of him. Meanwhile, people set great store by Lei Yu's style of daring to speak out, to act and to bear responsibility. Lei Yu had argued with Liang Lingguang, governor of Guangdong, about the Hainan automobile incident. He asked: Is it after all our aim to make Hainan take off or make Hainan sink to the bottom of the sea? After something happened with the purchase of automobiles, Lei Yu said: Though the Hainan CPC Committee approved the importation of automobiles and their leaving the island, I should also be held responsible. Such a showing on Lei Yu's part has been well received by the people. With him relieved of his duties at this time, a story has circulated in Hainan: Xiang Nan of Fujian hoped to invite Lei Yu to work in Fujian. But Lei Yu said no. He said: I have fallen in Hainan and should manage to stand up in Hainan. Of course, the possibility of his making a comeback in Hainan is not great. For this very reason, Hainan people say that they should provide for Lei Yu. From this, we can see that Hainan people have profound feelings for Lei Yu.

#### "Deng Xiaoping Is the Man Behind Lei Yu"

Question: Some people say that as if having swallowed the leopard's gall that provides him the courage, Lei Yu has dared to act. Does Lei Yu have someone behind him?

Answer: Quite a number of people have said that Deng Xiaoping is the man behind Lei Yu. This may be speaking broadly. Deng Xiaoping did back Lei Yu and also said something like give him a free hand in handling things. He even said once something like Lei Yu did nothing wrong. Therefore, Hainan people have all said that it is Deng Xiaoping and not a leopard's gall that has given Lei Yu his courage.

#### The Central Authorities Should Bear a Great Part of the Responsibility

Question: For the Hainan incident, do the central authorities also have to bear responsibility? For example, Wang Jiangyun, deputy director of the marketing department of the State Industry and Commerce Administration, said: "With the approval of the relevant provinces, autonomous regions and the organs in charge directly under municipalities, those inland organs, mass organizations, enterprises and institutions should be allowed to buy imported automobiles from Guangdong and Fujian that are really required for production or scientific research purposes. Groups and individuals who buy imported automobiles in Guangdong and Fujian on the presentation of certificates from the relevant prefectural and county departments in charge should also be given the green light." (speech at the national industrial and commercial administrative work forum in July 1984) Did such words not very likely make Lei Yu and others believe that they conveyed the wish of the central authorities? Also, the Hainan automobile incident started on 1 January 1984. For quite a long period, the CPC Central Committee and the State Council, despite some critical views put forth, did not take drastic measures. Even when the navy sent warships to Hainan Island to pick up cars there, they did not immediately stop it. Therefore, it seemed that the central authorities had taken an indifferent attitude. Should the central authorities not also bear a great part of the responsibility?

"Did Zhao Ziyang and Liang Lingguang Look the Other Way?"

Answer: General cadres in Hainan have also viewed things this way. If the automobile incident is considered a mistake, then the central authorities should, of course, bear the responsibility first. In addition, a story went around in Hainan that when Zhao Ziyang was visiting Guangzhou, Lei Yu went there to brief Zhao Ziyang and Liang Lingguang on the automobile incident. But they said: We do not want to discuss automobiles at this time. That showed indifference on their part. Therefore, these cadres also think that it is unfair to thrust the main responsibility on Lei Yu.

"Could Cars Have Not Been Sold to People at the Higher Levels?"

Question: The resale of automobiles for profit involved the lower levels. But with so many cars leaving the island, could Lei Yu and others be totally in the dark? Could they not be guilty of also assuming an indifferent attitude?

Answer: It is believed that the Hainan party and government leadership organs purposely committed what they knew was an act against the law. Of course they were in a hurry to obtain funds to build up Hainan and enliven Hainan's economy. On the other hand, some cars were bought by provincial CPC committees and committees of foreign economic relations and trade. Hainan people have said on behalf of Lei Yu: "You people are at the higher levels. Can we not sell the cars to you?"

Question: Some people said that Zhao Ziyang and Liang Lingguang did not make known their position. This made people suspect that one of them wanted to purposely let Lei Yu err and be trapped and accused. Did you hear such a story?

Answer: Some Hainan cadres also had suspicions. But it was only guesswork.

Deng and Zhao Want To Avoid Causing Internal Contradictions

Question: Did Zhao Ziyang not make known his attitude at that time? Was this attributable to his surefooted approach?

Question: Given Hainan's takeoff as an idea put forth by Deng Xiaoping and his support for enlarged decision-making power for Hainan, an attitude expressed too soon about the automobile incident would likely give rise to contradictions. Silence on Deng Xiaoping's part after the incident might also have been prompted by a desire to avoid causing internal contradictions.

Lei Yu's Firm Refusal To Admit Having Made Serious Mistakes

Question: What do Lei Yu, Yao Wenxu and Chen Yuyi think of the punishment meted out to them?

Answer: Yao Wenxu was "smart" enough to be the first to make a self-criticism. Chen Yuyi also made a self-criticism. It was Lei Yu that firmly refused to admit having made serious mistakes.

Question: Do the civilians and ordinary cadres of Hainan think that Lei Yu should not be held responsible for the Hainan automobile incident?

Answer: Though in charge of economic matters, Lei Yu does not know much about administrative work. He is only good at planning.

So problems definitely appeared in economic work. But in the past year or so, the central authorities enlarged the decision-making power for Hainan Island again and again letting the island develop in the direction of a "free island." A leader said: "Let Hainan Island be free in its development. If there should be trouble, it would be nothing but one single island involved." Given such guidance, the automobile incident was nothing strange. Moreover, Hainan is really too poor. If Hainan is to have an economic takeoff and to even catch up with Taiwan in 20 years, this would be out of the question if no "shortcut" to get rich is found. A commentator's article in the 1 August issue of RENMIN RIBAO also admitted that there were "some objective factors" responsible for Lei Yu and others' mistakes. Therefore, Lei Yu should not be held so responsible. His punishment should not have been so heavy.

#### The Line of Yao Wenxu and Lin Biao

Question: It was said that Yao Wenxu in the past leaned very much toward "leftism." Is it true?

Answer: During the "Cultural Revolution," Yao Wenxu was a secretary of the party committee of Dongguan County. He faithfully followed Lin Biao's line. At that time, Bo Zhanya, Lin Biao's devoted confederate, was in charge of the 42nd Army of Huizhou. Huiyang Prefecture became a serious victim of the disaster caused by Lin Biao. To please Lin Biao, his devoted ally Yao Wenxu invented the idea of "excess grain from three fields." The so-called excess grain from three fields was the excess portion, after providing for state grain, surplus grain and grain rations. This portion of grain was originally kept by a given area as reserve grain to prepare against natural disasters and meet emergency needs. But to get credit, Yao Wenxu arbitrarily claimed that this showed the lack of a concept of the state and that all such excess grain should be handed over to the state. It was then 1969 -- the year the Ninth National Party Congress defined Lin Biao in the party Constitution as Mao Zedong's successor. This coincided with an extraordinarily bountiful crop in Guangdong. Taking the grain output of this year as a base, Yao Wenxu arbitrarily incorporated in the state plan the amount of grain exceeding the allocations for state grain, surplus grain and grain rations. Production teams were called upon to hand over a fixed amount of such excess grain every year. Given a reduction in grain output in the several succeeding years, the cadres of Dongguan to fulfill their assignments, had to slash grain rations for peasants. Many cadres and civilians said privately: "We do not even have enough to eat. Why bother about loyalty (excess) grain?"

#### A Roly-Poly With Resistance Against Being Toppled in the Political Arena

At that time, Lin Biao was preparing to flee south to Guangzhou to set up another center. His adherents had the intention of turning Dongguan into a grain storage area. Lin Biao's adherent Wu Faxian also personally headed for Dongguan to prepare for war and lay in stocks. He further inspected the terrain of Dalingshan, a former anti-Japanese base in Dongguan, in making preparations to flee south to Guangdong. Apart from closely following him to give a helping hand, Yao Wenxu specially arranged for an "interview" with an actress of a county literature and art propaganda team for Wu Faxian. So in the eyes of Guangdong people, Yao Wenxu had actually jumped on Lin Biao's boat of bandits. But when Lin was subjected to criticism, Yao Wenxu claimed that he was a victim of Lin Biao's line. Thus, he kept his official title. Later, Yao Wenxu was transferred to work in Huiyang Prefecture. After the downfall of the gang of four, he was again transferred to Foshan Prefecture.



With some people supporting him in the province, he all along remained a roly-poly, safe from being toppled. In recent years, he was transferred to Hainan. He even made it as secretary of the Hainan party committee. He professed himself as the No 1 man in Hainan. Judging from the standpoint that the party is above everything, his position was indeed higher than that of Lei Yu. But the punishment meted out to him this time was the lightest.

#### Some People of the Investigation Group Are Sympathetic to Lei Yu

Question: Could Yao Wenxu have won the confidence of the province after a self-criticism? In this automobile incident, he was given the lightest punishment, with only a warning from inside the party. Was his position as secretary of the Hainan Administrative District CPC Committee also preserved? Was this because he was first to make a self-criticism?

Answer: Hainan people still believe that he has someone supporting him in the province. Otherwise, there is no reason why he was let off with such light punishment when he was the No 1 man of Hainan.

Question: What is the man Chen Yuyi like?

Answer: Chen Yuyi is the only native of Hainan among the party and government leadership cadres of Hainan. He is held in high esteem among the masses of Hainan. Though a bit rustic, he is the straight kind, giving himself no airs. People of Hainan say that Chen Yuyi makes the most ideal partner for Lei Yu.

Question: Are there some people in the investigation group showing sympathy for Lei Yu?

Answer: There are. But not many.

#### Hu Yaobang and Gu Mu Think Highly of Meng Qingping

Question: It was said that Meng Qingping, deputy secretary of the Hainan party committees, would take over Lei Yu's post. Did Meng Qingping do nothing wrong in the automobile incident?

Answer: The importation of automobiles was cleared by a meeting of the party committee. But Meng Qingping did not admit that the party committee had met to give approval of the importation of cars. Meng himself also signed for the importation of several tens of thousands of television sets. Later, in one stroke, Meng absolved himself of all responsibility.

Question: How about Meng Qingping's background? Some time ago, it was heard in Beijing that Lei Yu's successor might be Zhang Yunyi's son. Zhang Yunyi was a former colleague of Deng Xiaoping's. But the result was that Zhang Yunyi's son did not make it. It was Meng who got the job. Is there anything not known to outsiders that can explain this?

Answer: Meng Qingping of course has a background worth noting. He was allegedly originally in charge of a Hainan iron mine. This iron mine is an important enterprise in Hainan. Once, Gu Mu visited Hainan. The secretary of the party committee of the iron mine wanted to brief Gu Mu. But he did not have the gift of gab. So he let smooth-tongued Meng Qingping do the job. He talked sensibly. Gu Mu thought highly of him, as if he had found a "1,000-li steed." Before Hu Yaobang visited Hainan, Gu Mu recommended Meng Qingping to Hu. When Hu met Meng in Hainan, he formed a very good impression of the latter. That perhaps explained Meng Qingping's meteoric rise.

### Support for the Lei or the Meng Group

Question: Since the cadres of Hainan are all obedient to Lei Yu, then would things not go so well with Meng Qingping in beginning his job?

Answer: This is not necessarily so. Among the high-level cadres in Hainan, since there are supporters for the Lei group, there are also supporters for the Meng group. This is to say that Meng also has his own followers.

Question: Some people said that the resale of automobiles for profit has involved not only Hainan but also some special zones. An even more serious case has occurred. But nothing has been done about it. Why are such strict controls imposed on Hainan?

Answer: General cadres have considered this case too complicated.

Here ends my talk with the guest from the south.

### Complicated Contradictions

Later, I again exchanged views with some well-informed people in Beijing. They consider that the Hainan incident is really "a mass of complications." Involved are not only contradictions within the ranks of reformists, but also contradictions between reformists and nonreformists. It was said some time ago that Lei Yu asked the central authorities to upgrade Hainan to the level of a province. Some people in the province were not happy about this. Liang Lingguang and Lei Yu had a clash of views. The "backstage supporter" closest to Lei Yu, Ren Zhongyi (Lei being Ren's former "adviser"), also disagreed with certain people in the province and even at the central level. All these can be described as contradictions within the ranks of reformists. "Of course, there are also contradictions at the central level."

### An Impact on Reform and the Policy of Opening Up

In addition, some people not in favor of reform have also cashed in on the Hainan incident to attack the policy of opening up and the introduction of reforms. A well-informed friend said:

"They have made so much of the Hainan incident because Deng Xiaoping, though in support of Hainan, has not openly said so or come up with relevant inscriptions, as he has done with other special zones. Seizing upon something wrong with Hainan to give reformists a beating -- this can not only avoid bringing contradictions out into the open but also produce actual results. Now Hainan is like a deflated balloon, with not much life left."

### No Likely Impact on the September Party Conference

Now it is mid-August and only 1 month away from the September party conference. (It was said that the party conference would be held in mid-September.) It seems that the storms arising from the Shenzhen problem and the Hainan incident will not produce any impact on the coming party conference.

The reformists' great reshuffle at the provincial, military region and central levels have been either completed or near completion. People can see that through this party conference, the overwhelming majority of top men in various provinces and municipalities, originally not CPC Central Committee members, will breezily walk through the gate of the CPC Central Committee.

Hu Qili, Li Peng, Tian Jiyun, Wang Zhaoguo, Qiao Shi, Hao Jianxiu, Zhu Houze ... these new political stars will go through the Xinhua Gate to enter Zhongnanhai (the Political Bureau or the Central Secretariat). As a result of the great reshuffle, the reformists will further consolidate their unchallenged and unshakable position in the party. It can also be said that Deng Xiaoping has laid the foundation for the control of the great powers of the party and the state by the two Hu's -- Hu Yaobang and Hu Qili. It can be definitely said that the September party conference is one marking the unprecedented victory of the reformists.

A friend said smilingly to me: "This is also a victory for the reformists in a contest of longevity."

#### The Contest in Longevity -- "Double Champions"

Why is it a contest in longevity?

In the past few years, one aspect of the struggle between reformists and nonreformists has been a "contest in longevity." This is to say that Deng Xiaoping and the top man representing the conservative group have been vying to live the longest. If Deng Xiaoping is defeated in this contest, China's reform and its policy of opening up will suffer great setbacks. As things now stand, if the September party conference is considered the "end" of the contest, then it is very likely that both sides will come out triumphant -- with "double champions." But actually the reformists have carried everything before them. In terms of strength and capacity, the reformists are several times as strong as the conservatives or nonreformists, with overwhelming superiority.

#### Deng Xiaoping's Health and the Reformists' Future

Some people in physical culture circles in Beijing said that Deng Xiaoping is physically not as strong as 2 years ago. In 1983, Deng Xiaoping went to swim at the Huanghai. He swam nonstop for more than 90 minutes without tiring. But this year at Beidaihe, he swam 60 minutes. (In answer to a question by my friend, Deng Lin, Deng Xiaoping's daughter, also said that this year he could only swim 60 minutes.) Is this an indication of a decline in Deng Xiaoping's health? Of course, it is quite unusual for a person of age 81 to swim 60 minutes. It can definitely be said that Deng Xiaoping is still quite fit physically.

No matter what, with September over, everything will be settled. Reformists will have everything under control.

People hope that the reformists and the young successors will avail themselves of the unprecedentedly favorable situation ahead for doing something great and good for the country and the people!



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